ENROLLED ORIGINAL

AN ACT

D.C. ACT 15-249

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

NOVEMBER 25, 2003

Codification District of Columbia Official Code

2001 Edition

2004 Winter Supp.

West Group Publisher

To require, on a temporary basis, the IV-D agency to use a medical support notice to enforce provisions in support orders requiring health insurance coverage for children; to require a medical support notice to include specific information and conform with federal law; to require an appropriately completed medical support notice to be deemed a qualified medical child support order, and to require that a medical support notice issued in another jurisdiction be treated the same as a medical support notice issued in the District of Columbia; to require employers to follow specified procedures upon receipt of a medical support notice from the IV-D agency and to notify the IV-D agency when the parent terminates employment; to require health insurers to follow specified procedures upon receipt of a medical support notice; to require the IV-D agency to select among available health insurance coverage options available through the insurer in consultation with the child's custodian; to require employers to withhold employee contributions for health insurance coverage from the employee's earnings and send the contributions to the health insurer; to establish withholding priorities for current cash support and employee contributions for health insurance coverage; to establish the parent's liability for employee contributions for health insurance coverage, to permit the parent to contest a withholding for employee contributions based on a mistake of fact, and to require the enrollment of the child in health insurance coverage and the withholding of employee contributions to continue while the contest is pending; to establish remedies against employers for taking action against a parent based on enrollment and withholding requirements and for failing to comply with enrollment and withholding requirements; and to limit the liability of employers and health insurers that comply with the requirements for health insurance coverage enrollment and withholding; to amend the Medicaid Benefits Protection Act of 1994 to conform with the procedures established for the medical support notice and to include provisions required by federal law; to amend Title 16 of the District of Columbia Official Code to require the inclusion of a provision for health insurance coverage in a support order where health insurance coverage is available to the noncustodial parent at a reasonable cost, and to provide for the modification of support orders to include provisions for health insurance coverage; and to amend the District of Columbia Child Support Enforcement Amendment Act of

1985 to conform with the procedures established for the medical support notice.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Medical Support Establishment and Enforcement Temporary Amendment Act of 2003".

TITLE I - MEDICAL SUPPORT ENFORCEMENT

Sec. 101. Definitions.

For the purposes of this title, the term:

(1) "Custodian" means the parent, relative, guardian, or other person with whom the dependent child resides.

(2) "Health insurance coverage" means benefits consisting of amounts paid for the diagnosis, cure, mitigation, treatment, or prevention of disease, or amounts paid for the purpose of affecting any structure or function of the body (provided directly, through insurance or reimbursement, or otherwise, and includes items and services) under any hospital or medical service policy or certificate, hospital or medical service plan contract, or health maintenance organization contract offered by a health insurer.

(3) "Health insurer" means any person that provides one or more health benefit plans or insurance in the District of Columbia, including a group health plan, as defined in section 607(1) of the Employee Retirement Income Security Act of 1974, approved April 7, 1986 (100 Stat. 231; 29 U.S.C. § 1167(1)), a plan administrator, as defined in section 3(16) of the Employee Retirement Income Security Act of 1974, approved September 2, 1974 (88 Stat. 835; 29 U.S.C. § 1002(16)), an insurer, a hospital and medical service corporation, a health maintenance organization, a multiple employer welfare arrangement, or any other person providing a plan of health insurance subject to the authority of the Commissioner of the Department of Insurance and Securities Regulation.

(4) "IV-D agency" means the organizational unit of the District of Columbia government, or successor organizational unit, that is responsible for administering or supervising the administration of the District of Columbia's State Plan under Part D of Title IV of the Social Security Act, approved January 4, 1975 (88 Stat. 2351; 42 U.S.C. § 651 *et seq.*), pertaining to parent locator services, paternity establishment, and the establishment, modification, and enforcement of support orders.

(5) "Medical support notice" means a notice issued by the IV-D agency that meets the requirements of a National Medical Support Notice promulgated under section 401(b) of the Child Support Performance and Incentive Act of 1998, approved July 16, 1998 (112 Stat. 660; 42 U.S.C. § 651 note).

(6) "Support order" means a judgment, decree, or order, whether temporary or final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the

age of majority under the law of the issuing state, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement, and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.

Sec. 102. Use of medical support notice; IV-D agency.

(a) In cases being enforced pursuant to Part D of Title IV of the Social Security Act, approved January 4, 1975 (88 Stat. 2351; 42 U.S.C. § 651 *et seq.*), where a parent is required by a support order to provide health insurance coverage for a child, which is available through the parent's employer, the IV-D agency may apply for the enrollment of the child in the health insurance coverage by submitting a medical support notice to the employer. The IV-D agency shall, where appropriate, submit a medical support notice to the employer when the support order requires the noncustodial parent to provide health insurance coverage for the child and the employer is known to the IV-D agency, unless the support order directs enrollment of the child in alternative coverage.

(b) Where a noncustodial parent is a newly hired employee entered in the District of Columbia Directory of New Hires pursuant to section 27f of the District of Columbia Child Support Enforcement Amendment Act of 1985, effective April 3, 2001 (D.C. Law 13-269; D.C. Official Code § 46-226.06), and the support order requires the noncustodial parent to provide health insurance coverage for a child, the IV-D agency shall submit the medical support notice to the employer within 2 business days after the entry of the employee in the directory.

(c) The IV-D agency shall promptly notify an employer that has received a medical support notice when there is no longer a support order in effect for which the IV-D agency is responsible that requires a parent to provide health insurance coverage for a child.

Sec. 103. Medical support notice; contents; effect.

(a) A medical support notice shall be issued in a format consistent with federal requirements and shall contain all information required by federal law. A medical support notice shall:

(1) Conform with the requirements applicable to medical child support orders under section 609(a) of the Employee Retirement Income Security Act of 1974, approved August 10, 1993 (107 Stat. 371; 29 U.S.C. § 1169(a)), in connection with group health plans;

(2) Conform with the requirements of section 466(a)(19) of the Social Security Act, approved August 16, 1984 (98 Stat. 1306; 42 U.S.C. § 666(a)(19));

(3) Include a separate and easily severable employer withholding notice that informs the employer of :

(A) The employer's obligations under section 107 to withhold employee contributions due in connection with health insurance coverage a parent is required to provide for a child pursuant to a support order;

(B) The duration of the withholding requirement as stated in section 3(3) of the Medicaid Benefits Protection Act of 1994, effective March 14, 1995 (D.C. Law 10-202; D.C. Official Code § 1-307.42(3));

(C) The applicability of the limits on withholding imposed under section 303(b) of the Consumer Credit Protection Act, approved May 29, 1968 (82 Stat. 163; 15 U.S.C. § 1673(b));

(D) The applicability of any prioritization required under section 108 when the employee's earnings are insufficient to satisfy fully through withholding the employee's obligations to provide cash support and contributions for health insurance coverage for the child;

(E) The name and telephone number of the appropriate person to contact at the IV-D agency about the medical support notice;

(F) The employee's right to contest the withholding based on mistake of fact pursuant to section 109, and the employer's obligation to initiate and continue the withholding until the employer receives notice that the contest is resolved; and

(G) The applicability of sanctions against the employer under section 110 for discharging, refusing to employ, or taking disciplinary action against a parent because of the requirement to withhold employee contributions for health insurance coverage, or for failing to withhold or remit earnings.

(b) An appropriately completed medical support notice that meets the requirements of section 401(b) of the Child Support Performance and Incentive Act of 1998, approved July 16, 1998 (112 Stat. 660; 42 U.S.C. § 651 note), shall be deemed to be a qualified medical child support order under section 609(a)(2) of the Employee Retirement Income Security Act of 1974, approved August 10, 1993 (107 Stat. 371; 29 U.S.C. § 1169(a)(2)).

(c) A medical support notice issued in another jurisdiction shall be treated under this title in the same manner as a medical support notice issued in the District of Columbia.

Sec. 104. Duties of the employer.

(a) Upon receipt of a medical support notice, an employer shall, within 20 business days after the date of the medical support notice:

(1) Determine whether health insurance coverage is available to the child included in the medical support notice based on the parent's employment status;

(2) Complete and return to the IV-D agency the applicable portion of the medical support notice if health insurance coverage is unavailable to the child based on the parent's employment status; and

(3) Send the medical support notice, excluding the severable employer withholding notice, to each health insurer that provides health insurance coverage for which the child may be eligible, if health insurance coverage is available to the child based on the parent's employment status.

(b) If the employer determines that the child cannot be enrolled in health insurance coverage because the employee contributions exceed the amount that may be withheld from the parent's earnings due to federal or District of Columbia withholding limitations or prioritizations, the employer shall promptly complete and send to the IV-D agency the applicable portion of the medical support notice.

(c) If the employer receives notice from a health insurer that the parent is subject to a waiting period that expires more than 90 days from the health insurer's receipt of the medical support notice, or that has a duration determined by a measure other than the passage of time, the employer shall inform the health insurer, when the parent is eligible to enroll in health insurance coverage, that the parent is eligible and that the medical support notice requires the enrollment of the child.

(d) Within 10 days after an employer receives notice that a parent subject to a medical support notice will terminate employment, or within 10 days after the termination, whichever occurs earlier, the employer shall notify the IV-D agency of the termination and provide the IV-D agency with the parent's last known address and the name and address of the parent's new employer, if known.

Sec. 105. Duties of the health insurer.

(a) Upon receipt of a medical support notice from an employer, a health insurer shall, within 40 days after the date of the notice:

(1) Determine whether the medical support notice contains:

(A) The employee's name and mailing address; and

(B) The name of the child to be enrolled in health insurance coverage and the mailing address of the child or a substituted official; and

(2) Complete and send to the IV-D agency and the employer the applicable portion of the medical support notice if the medical support notice does not contain the information described in paragraph (1) of this subsection; or

(3) Comply with the following requirements, subject to subsections (c), (d), and (e) of this section, if the medical support notice contains the information described in paragraph (1) of this subsection:

(A) Determine the child's eligibility for enrollment in health insurance coverage;

(B) Enroll the child in health insurance coverage if the child is eligible for enrollment and not already enrolled, without regard to enrollment season restrictions;

(C) Complete and send to the IV-D agency and the employer the applicable portion of the medical support notice;

(D) Send the parent, the child's custodian, and the child a written notification that health insurance coverage is or will become available to the child; and

(E) Send the child's custodian a written description of the available

health insurance coverage, the effective date of the health insurance coverage, summary plan descriptions, and, if not already provided, forms, documents, or other information necessary to obtain health insurance coverage for the child and to submit claims for benefits.

(b) Notification to the child's custodian of the availability of health insurance coverage pursuant to subsection (a)(3)(D) of this section shall be deemed to be notification to the child if the child resides at the same address.

(c) If enrollment of a child in health insurance coverage is subject to a waiting period that has not been completed, within 40 business days after the date of the medical support notice, the health insurer shall complete and send to the employer, the IV-D agency, and both parents the applicable portion of the medical support notice. Within 20 business days after the employee's completion of the waiting period, the health insurer shall comply with the requirements of subsection (a)(3) of this section.

(d) If a child is eligible for enrollment in more than one health insurance coverage option available through the employer, the health insurer shall, within 40 business days after the date of the medical support notice:

(1) Complete and send to the IV-D agency and the employer the applicable portion of the medical support notice; and

(2) Send the IV-D agency copies of applicable summary plan descriptions or other documents that describe the available coverage, including any additional employee contributions necessary to obtain coverage for the child under each option, and any applicable service area limitations for each option.

(e) Within 20 business days after the health insurer sends to the IV-D agency the information stated in subsection (d) of this section, the health insurer shall:

(1) Enroll the child in the health insurance coverage option selected by the IV-D agency, and comply with the other requirements of subsection (a)(3) of this section, if the IV-D agency has notified the health insurer of its selection; or

(2) Enroll the child in any default option for which the child is eligible, and comply with the other requirements of subsection (a)(3) of this section, if the IV-D agency has not notified the health insurer of its selection of a different option.

Sec. 106. Selection of a health insurance coverage option.

(a) Upon receipt of notice from a health insurer that more than one health insurance coverage option is available for a child included in a medical support notice, the IV-D agency shall select an available option in consultation with the child's custodian.

(b) Unless the IV-D agency selects a default health insurance coverage option for which the child is eligible, the IV-D agency shall notify the health insurer of its selection promptly after the health insurer provides the IV-D agency with the information required under section 105(d).

Sec. 107. Withholding for health insurance coverage.

(a) When an employer receives notice from a health insurer that a child has been enrolled in health insurance coverage pursuant to a medical support notice or a support order requiring a parent to provide health insurance coverage, the employer shall:

(1) Withhold from the employee's earnings the employee contributions required to effectuate health insurance coverage for the child in each plan in which the child is enrolled;

(2) Send the amount withheld to the applicable health insurer within 7 business days after the date the amount would have been next paid or credited to the employee;

(3) Continue to withhold premiums for health insurance coverage from the employee's earnings on a regular and consistent basis and pay the premiums to the health insurer; and

(4) Send each additional payment to the health insurer on the same date that the employee is compensated.

(b) Withholding for health insurance coverage shall not exceed the limitations set forth in section 303(b) of the Consumer Credit Protection Act, approved May 29, 1968 (82 Stat. 163; 15 U.S.C. § 1673(b)).

(c) Nothing in this title shall alter the obligation of an obligor, obligee, employer, or other person or entity to comply with the provisions for the withholding of earnings or other income stated in the District of Columbia Child Support Enforcement Amendment Act of 1985, effective February 24, 1987 (D.C. Law 6-166; D.C. Official Code § 46-201 *et seq.)*.

Sec. 108. Priority of withholding for employee contributions to health insurance coverage.

(a) If withholding of both the full amount of current cash support and the full amount of an employee's contributions for health insurance coverage for a child included in a medical support notice or a support order requiring a parent to provide health insurance coverage exceeds the limits of section 303(b) of the Consumer Credit Protection Act, approved May 29, 1968 (82 Stat. 163; 15 U.S.C. § 1673(b)), then current cash support shall receive priority and shall be withheld in full prior to any withholding being made for employee contributions for health insurance coverage.

(b) If the full amount of current cash support and the full amount of employee contributions for health insurance coverage can be withheld within the limits of section 303(b) of the Consumer Credit Protection Act, approved May 29, 1968 (82 Stat. 163; 15 U.S.C. § 1673(b)), the employer shall withhold earnings for additional cash amounts that are subject to withholding after the employee's obligations for current cash support and contributions for health insurance coverage are satisfied.

(c) If an employer is required to withhold earnings or employee contributions for health insurance coverage pursuant to more than one support order, the employer shall prorate among the support orders subject to withholding the amount of the employee's earnings that are

available for withholding within the limits of section 303(b) of the Consumer Credit Protection Act, approved May 29, 1968 (82 Stat. 163; 15 U.S.C. § 1673(b)), and determine whether the available earnings are sufficient to satisfy current cash support due under all applicable support orders. The employer shall not withhold contributions for health insurance coverage required under any support order until all the employee's current cash support obligations are satisfied. The employer shall prorate among the support orders subject to withholding the employee's remaining earnings that are available for withholding under section 303(b) of the Consumer Credit Protection Act, approved May 29, 1968 (82 Stat. 163; 15 U.S.C. § 1673(b)), to determine whether the earnings prorated to each support order are sufficient to allow the enrollment in health insurance coverage of the child subject to the applicable support order.

(d) An employer shall apply the law of the employee's principal place of employment in determining the limitations and priorities applicable to the withholding of employee contributions for health insurance coverage.

Sec. 109. Liability for contributions to health insurance coverage; objections to withholding.

(a) An employee is liable for employee contributions required to enroll a child in health insurance coverage pursuant to a medical support notice or a support order, except that an employee may contest a withholding for employee contributions for health insurance coverage based on a mistake of fact.

(b) An employee may contest a withholding for employee contributions for health insurance coverage by filing a motion to quash the withholding with the Superior Court of the District of Columbia, with service upon the IV-D agency, if the withholding was commenced pursuant to a medical support notice. The employee shall file the motion within 15 days after the date the first employee contributions for health insurance coverage are withheld from the employee's earnings.

(c) The only grounds for contesting a withholding based on a mistake of fact under this section are:

(1) The identity of the employee;

(2) The amount of the employee contributions necessary to enroll the child in the health insurance coverage;

(3) The existence of an underlying support order requiring the employee to provide health insurance coverage for the child; and

(4) Whether the amount withheld for health insurance coverage exceeds the limits of section 303(b) of the Consumer Credit Protection Act, approved May 29, 1968 (82 Stat. 163; 15 U.S.C. § 1673(b)).

(d) Enrollment of a child in health insurance coverage and withholding of the employee's contributions for health insurance coverage shall not be stayed or terminated until the employer receives written notice that the contest has been resolved in the employee's favor.

(e) Nothing in this section shall be construed to limit an employee's right to contest an underlying support order requiring the employee to provide health insurance coverage for a child.

Sec. 110. Sanctions; limitations on liability.

(a) An employer shall not discharge, refuse to employ, or take disciplinary action against a parent or employee based on the parent or employee's obligation to provide health insurance coverage for a child under a medical support notice or a support order.

(b) There shall be a rebuttable presumption that an employer who engages in conduct described in subsection (a) of this section within 90 days from the date of receipt of the medical support notice or the support order is in violation of this section and may be subject to the sanctions in subsection (c) of this section.

(c) Any employer who engages in conduct described in subsection (a) of this section shall be subject to a civil penalty of up to $10,000. An employee, a parent, or the IV-D agency may bring a civil action against an employer who violates subsection (a) of this section. A civil penalty obtained under this section shall be used to offset the employee's duty of support.

(d) If an employer fails to withhold an employee contribution for health insurance coverage or fails to send a withheld contribution to the health insurer as required by section 108, a judgment shall be entered against the employer for the amount not withheld or paid to the health insurer, and for any reasonable counsel fees and court costs incurred by the employee, a parent, the health insurer, or the IV-D agency as a result of the failure to withhold or make payment.

(e) An employer shall be liable for unreimbursed health care expenses incurred by or on behalf of a child as a result of the employer's failure to comply with the requirements of this title or section 3 of the Medicaid Benefits Protection Act of 1994, effective March 14, 1995 (D.C. Law 10-202; D.C. Official Code § 1-307.42).

(f) A health insurer shall be liable for unreimbursed health care expenses incurred by or on behalf of a child as a result of the health insurer's failure to comply with the requirements of this title or section 2 of the Medicaid Benefits Protection Act of 1994, effective March 14, 1995 (D.C. Law 10-202; D.C. Official Code § 1-307.41).

(g) Neither an employer nor a health insurer shall be subject to liability under subsections (d), (e), or (f) of this section if the employer or health insurer proves by a preponderance of the evidence that the failure to comply was due to exigent circumstances beyond the control of the employer or health insurer.

(h) Neither an employer nor a health insurer who complies, in accordance with the requirements of this title, with a medical support notice or a support order that is regular on its face shall be subject to civil liability to an individual or entity for conduct in compliance with the medical support notice or support order.

TITLE II -- CONFORMING AMENDMENTS

Sec. 201. The Medicaid Benefits Protection Act of 1994, effective March 14, 1995 (D.C. Law 10-202; D.C. Official Code § 1-307.41 *et seq.*), is amended as follows:

(a) Section 2 (D.C. Official Code § 1-307.41) is amended as follows: Note, § 1-307.41

(1) Subsection (c)(1) is amended to read as follows:

"(1) Provide such information to the custodial parent as may be necessary to obtain benefits through such coverage, including the information required under section 105(a) of the Medical Support Establishment and Enforcement Temporary Amendment Act of 2003.".

(2) Subsection (d) is amended as follows:

(A) Paragraph (2) is amended by striking the word "and" at the end.

(B) A new paragraph (2A) is added to read as follows:

"(2A) Enroll the child under family coverage upon application by the child's other parent, or by the District of Columbia agency administering either the Medicaid program or the child support enforcement program pursuant to Part D of Title IV of the Social Security Act, approved January 4, 1975 (88 Stat. 2351; 42 U.S.C. § 651 *et seq.*), if the employed parent is not enrolled and the health insurance plan requires the employed parent's enrollment for the child to be eligible; and".

(b) Section 3 (D.C. Official Code § 1-307.42) is amended as follows: Note, § 1-307.42

(1) A new paragraph (2A) is added to read as follows:

"(2A) Enroll the child under family coverage upon application by the child's other parent, or by the District of Columbia agency administering either the Medicaid program or the child support enforcement program pursuant to Part D of Title IV of the Social Security Act, approved January 4, 1975 (88 Stat. 2351; 42 U.S.C. § 651 *et seq.*), if the employed parent is not enrolled and the health insurance plan requires the employed parent's enrollment for the child to be eligible;".

(2) Paragraph (3) is amended as follows:

(A) Subparagraph (B) is amended by striking the word "or" at the end.

(B) Subparagraph (C) is amended by adding the word "or" at the end.

(C) A new subparagraph (D) is added to read as follows:

"(D) The employer no longer employs the parent and the parent has not elected to continue coverage through a plan offered by the employer for post-employment health insurance coverage for dependents;".

(3) Paragraph (4) is amended as follows:

(A) Strike the word "Withhold" and insert the phrase "Subject to sections 107 and 108 of the Medical Support Establishment and Enforcement Temporary Amendment Act of 2003, withhold" in its place.

(B) Strike the word "and" at the end.

(4) Paragraph (5) is amended to read as follows:

"(5) Upon receipt of a court or administrative order that has directed the parent

to provide health insurance coverage for the child, notify the insurer of the order for health insurance coverage and inform the insurer that the order operates to enroll the child in the coverage; and"

(5) A new paragraph (6) is added to read as follows:

"(6) Upon receipt of a medical support notice issued by the IV-D agency under section 102 of the Medical Support Establishment and Enforcement Temporary Amendment Act of 2003, comply with the provisions of sections 104, 107 and 108 of that act.".

Sec. 202. Title 16 of the District of Columbia Official Code is amended as follows:

(a) Section 16-901 is amended to add a new paragraph (4) to read as follows: Note, § 16-901

"(4) "Support order" means a judgment, decree, or order, whether temporary, final, or subject to modification, issued by a court or an administrative agency of competent jurisdiction, for the support and maintenance of a child, including a child who has attained the age of majority under the law of the issuing state, or a child and the parent with whom the child is living, which provides for monetary support, health care, arrearages, or reimbursement and which may include related costs and fees, interest and penalties, income withholding, attorneys' fees, and other relief.".

(b) Section 16-916 is amended as follows: Note, § 16-916

(1) Subsection (a) is amended by striking the phrase "that either or both parents shall pay for the unreimbursed medical expenses of the child, and that a parent shall obtain medical insurance for the child whenever that insurance is available at a reasonable cost,".

(2) Subsection (c) is amended by striking the phrase "that either or both parents shall pay for the unreimbursed medical expenses of the child, that the parent obtain medical insurance for the child whenever that insurance is available at a reasonable cost,".

(3) New subsections (c-1), (c-2), and (c-3) are added to read as follows:

"(c-1) A support order entered under this section shall contain terms providing for the payment of medical expenses for each child included in the support order, whether or not health insurance coverage is available to pay for those expenses. The court may order either or both parents to provide health insurance coverage for the child, or to pay the unreimbursed medical expenses of the child.

"(c-2) Each new or modified support order entered pursuant to Part D of Title IV of the Social Security Act, approved January 4, 1975 (88 Stat. 2351; § 42 U.S.C. 651 *et seq.*), shall contain a provision for health insurance coverage for each child included in the support order whenever health insurance coverage is available to the noncustodial parent at a reasonable cost. If health insurance coverage is not available to the noncustodial parent at a reasonable cost when the support order is entered, the court may order the noncustodial parent to obtain the health insurance coverage when it becomes available.

"(c-3) For the purposes of this section, health insurance coverage shall be considered reasonable in cost if it is employer-related or other group health insurance coverage, regardless

of the service delivery mechanism.".

(c) Section 16-916.01 is amended as follows: Note, § 16-916.01

(1) Subsection (h)(3) is amended to read as follows:

"(3) If a noncustodial parent does not have medical insurance coverage, and can obtain medical insurance coverage at a reasonable cost, the court shall order the noncustodial parent to obtain medical insurance coverage for the child in accordance with § 16-916 and federal law. The amount of the offset shall equal the difference between the premium for single coverage and the premium for family coverage. No offset shall be calculated by using the cost for the coverage for the noncustodial parent.".

(2) A new subsection (h-1) is added to read as follow:

"(h-1) For the purposes of this section, medical insurance coverage shall be considered reasonable in cost if it is employer-related or other group medical insurance coverage, regardless of the service delivery mechanism.".

(3) Subsection (o) is amended by adding a new paragraph (2A) to read as follows:

"(2A) The court may modify a support order to require a parent to provide medical insurance coverage for a child at the request of a party, if the support order does not contain a provision for medical insurance coverage. The court shall modify a support order to include a provision for medical insurance coverage at the request of the IV-D agency, if the support order is being enforced pursuant to Part D of Title IV of the Social Security Act, approved January 4, 1975 (88 Stat. 2351; 42 U.S.C. § 651 *et seq.*), and medical insurance coverage is available to the noncustodial parent at a reasonable cost.".

Sec. 203. The District of Columbia Child Support Enforcement Amendment Act of 1985, effective February 24, 1987 (D.C. Law 6-166; D.C. Official Code § 46-201 *et seq.),* is amended as follows:

(a) Section 5(a) (D.C. Official Code § 46-204(a)) is amended by striking the phrase "reviewed pursuant to § 16-916.1(o)(2)." in the last sentence and inserting the phrase "reviewed or modified pursuant to D.C. Official Code § 16-916.01(o)(2) or (o)(2A)." in its place. Note, § 46-204

(b) Section 6(5) (D.C. Official Code § 46-205(5)) is amended to read as follows: Note, § 46-205

"(5) Notice that if the obligor is required under the support order to provide health insurance coverage for a child, the obligor's employer will, upon receipt of notice of the health insurance coverage provision, enroll the child in health insurance coverage in accordance with sections 2 and 3 of the Medicaid Benefits Protection Act of 1994, effective March 14, 1995 (D.C. Law 10-202; D.C. Official Code §§ 1-307.41 and 1-307.42), and Title I of the Medical Support Establishment and Enforcement Temporary Amendment Act of 2003.".

(c) Section 8(b)(6) (D.C. Official Code § 46-207(b)(6)) is amended to read as follows: Note, § 46-207

"(6) Notice that if the obligor is required under the support order to provide health insurance coverage for a child, the obligor's employer will, upon receipt of notice of the

health insurance coverage provision, enroll the child in health insurance coverage in accordance with sections 2 and 3 of the Medicaid Benefits Protection Act of 1994, effective March 14, 1995 (D.C. Law 10-202; D.C. Official Code §§ 1-307.41 and 1-307.42), and Title I of the Medical Support Establishment and Enforcement Temporary Amendment Act of 2003;".

TITLE III - FISCAL IMPACT STATEMENT; EFFECTIVE DATE

Sec. 301. Fiscal impact statement.

The Council adopts the attached fiscal impact statement as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 302. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in 602(c)(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.

Linda W. Cropp
Chairman
Council of the District of Columbia

Anthony A. Williams
Mayor
District of Columbia
APPROVED
November 25, 2003

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AN ACT

D.C. ACT 15-250

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

NOVEMBER 25, 2003

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To amend, on a temporary basis, section 47-2005(7) of the District of Columbia Official Code to exempt from sales taxation goods sold at certain charity auctions, not more than 5 times a year, by a nonprofit organization incorporated and providing a benefit in the District of Columbia.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Charity Auction Sales Tax Exemption Temporary Act of 2003".

Sec. 2. Section 47-2005(7) of the District of Columbia Official Code is amended as follows:

Note, § 47-2005

(1) The existing text is re-designated as subparagraph (A).

(2) A new subparagraph (B) is added to read as follows:

"(B) Casual and isolated sales at a charity auction or other fundraising activity not held more than 5 times a year by a nonprofit organization incorporated in the District of Columbia; provided, that the proceeds of the auction or other activity is solely for charitable purposes providing a benefit in the District of Columbia.".

Sec. 3. Fiscal impact statement.

The Council adopts the attached fiscal impact statement as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved

December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.

Chairman
Council of the District of Columbia

Mayor
District of Columbia
APPROVED
November 25, 2003

COUNCIL OF THE DISTRICT OF COLUMBIA
OFFICE OF THE BUDGET DIRECTOR — FISCAL IMPACT STATEMENT

Bill Number:	Type: Emergency (X) Temporary ( ) Permanent ( )	Date Reported: October 7, 2003

Subject/Short Title: "Charity Auction Sales Tax Exemption Emergency Declaration Resolution of 2003".

Part I. Summary of the Fiscal Estimates of the Bill	YES	NO
1. It will impact spending. (If "Yes," complete Section 1 in the Fiscal Estimate Worksheet).	( )	(x)
a) It will affect local expenditures.	( )	(x)
b) It will affect federal expenditures.	( )	(x)
c) It will affect private/other expenditures.	( )	(x)
d) It will affect intra-District expenditures.	( )	(x)
2. It will impact revenue. (If "Yes," complete Section 2 in the Fiscal Estimate Worksheet).	( )	(x)
a) It will impact local revenue.	( )	(x)
b) It will impact federal revenue.	( )	(x)
c) It will impact private/other revenue.	( )	(x)
d) It will impact intra-District revenue.	( )	(x)
3. The bill will have NO or minimal fiscal impact. (If "Yes," explain below).	(x)	( )

Part II. Other Impact of the Bill		
If you check "Yes" for each question, please explain on separate sheet, if necessary.	YES	NO
1. It will affect an agency and/or agencies in the District.	( )	(x)
2. Are there performance measures/output for this bill?	( )	(x)
3. Will it have results/outcome, i.e., what would happen if this bill is not enacted?	( )	(x)
4. Are funds appropriated for this bill in the Budget and Financial Plan for the current year?	( )	(x)
The fiscal impact of this legislation is de minimus, and these are not funds the District routinely collects at this time.		

Sources of information: Committee staff.	Councilmember: Evans
	Staff Person & Tel: Jeff Coudriet, 202/724-8058.
	Council Budget Director's Signature:

ENROLLED ORIGINAL

AN ACT

D.C. ACT 15-251

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

NOVEMBER 25, 2003

Codification District of Columbia Official Code

2001 Edition

2004 Winter Supp.

West Group Publisher

To amend, on a temporary basis, section 47-1803.02 of the District of Columbia Code to provide that the exclusion from gross income applies to amounts received by a claimant from any type of discrimination.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Income From Discrimination Exclusion Temporary Amendment Act of 2003".

Sec. 2. Section 47-1803.02(a)(2)(U) of the District of Columbia Official Code is amended by striking the word "employment".

Note, § 47-1803.02

Sec. 3. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report for the Civil Rights Tax Fairness Act of 2002, effective June 25, 2002 (D.C. Law 14-165; D.C. Official Code § 47-1803.02), as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 4. Effective date.

(a) This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved

ENROLLED ORIGINAL

December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206(c)(1)), and publication in the District of Columbia Register.

(b) This act shall expire after 225 days of its having taken effect.

Linda W. Cropp
Chairman
Council of the District of Columbia

Anthony A. Williams
Mayor
District of Columbia
APPROVED
November 25, 2003

ENROLLED ORIGINAL

AN ACT

D.C. ACT 15-252

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

NOVEMBER 25, 2003

To approve, on an emergency basis, the acceptance and use of grants not appropriated in the District of Columbia Appropriations Act, 2003.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "November Budget Modifications for FY 2004 Grant Funds Approval Emergency Act of 2003".

Sec. 2. Pursuant to section 119 of the District of Columbia Appropriations Act, 2003 (Pub. Law 108-7; 117 Stat. 11), as extended by a Joint Resolution Making Continuing Appropriations for Fiscal Year 2004 for and Other Purposes, approved September 30, 2003 (Pub. Law 108-84; 117 Stat. 1042) ("Acts"), the acceptance and use of the following grants are hereby approved:

DC Public Schools	000CLA	03	Federal	After School Learning Center	Carryover from FY03 Budget	$1,412
DC Public Schools	000CLC	03	Federal	After School Learning Center	Carryover from FY03 Budget	$26,828
DC Public Schools	000CLC	04	Federal	After School Learning Center	Increase Budget to meet Projected Expenditures	$211,608
DC Public Schools	000CLS	04	Federal	After School Learning Center	Increase Budget to meet Projected Expenditures	$6,542
DC Public Schools	000CRN	04	Federal	Career Resource Network	Carryover from FY03 Budget	$117,593

ENROLLED ORIGINAL

Agency	Grant Number	Phase	Type	Grant Name	Reason for Change	Phase Amount
DC Public Schools	000DAB	04	Federal	Innovative Strategies	Increase Budget to meet Projected Expenditures	$249,440
DC Public Schools	000DAC	04	Federal	Innovative Strategies	Increase Budget to meet Projected Expenditures	$31,019
DC Public Schools	000DAE	04	Federal	Innovative Strategies	Increase Budget to meet Projected Expenditures	$155,806
DC Public Schools	000DAE	03	Federal	Innovative Strategies	Carryover from FY03 Budget	$219,624
DC Public Schools	000DAM	04	Federal	Innovative Strategies	Increase Budget to meet Projected Expenditures	$6,550
DC Public Schools	000DCA	04	Federal	Innovative Strategies	Reduced Unnecessary Budget Authority	($1,585)
DC Public Schools	000DCC	04	Federal	Innovative Strategies	Reduced Unnecessary Budget Authority	($279)
DC Public Schools	000EAA	04	Federal	Title I Grants	Increase Budget to meet Projected Expenditures	$376,100
DC Public Schools	000EAB	04	Federal	Title I Grants	Reduced Unnecessary Budget Authority	($5,000)
DC Public Schools	000EAC	04	Federal	Title I Grants	Reduced Unnecessary Budget Authority	($184,058)
DC Public Schools	000EAE	04	Federal	Title I Grants	Increase Budget to meet Projected Expenditures	$431,248
DC Public Schools	000EAF	04	Federal	Title I Grants	Increase Budget to meet Projected Expenditures	$49,124
DC Public Schools	000EAG	04	Federal	Title I Grants	Increase Budget to meet Projected Expenditures	$237,970

DC Public Schools	000EAP	04	Federal	Title I Grants	Increase Budget to meet Projected Expenditures	$3,503,697
DC Public Schools	000EAS	04	Federal	Title I Grants	Increase Budget to meet Projected Expenditures	$751,466
DC Public Schools	000EAT	04	Federal	Title I Grants	Increase Budget to meet Projected Expenditures	$751,466
DC Public Schools	000EAZ	04	Federal	Title I Grants	Increase Budget to meet Projected Expenditures	$394,252
DC Public Schools	000EBZ	04	Federal	Neglected and Delinquent	Increase Budget to meet Projected Expenditures	$42,705
DC Public Schools	000EGZ	03	Federal	Migrant Education	Carryover from FY03 Budget	$8,228
DC Public Schools	000FGZ	04	Federal	Tech-Prep Education	Reduced Unnecessary Budget Authority	($4,933)
DC Public Schools	000HLA	04	Federal	Safe and Drug Free	Reduced Unnecessary Budget Authority	($58,106)
DC Public Schools	000HLB	04	Federal	Safe and Drug Free	Reduced Unnecessary Budget Authority	($13,284)
DC Public Schools	000HLG	04	Federal	Safe and Drug Free	Reduced Unnecessary Budget Authority	($461,573)
DC Public Schools	000HLK	04	Federal	Safe and Drug Free	Reduced Unnecessary Budget Authority	($337)
DC Public Schools	000HLM	04	Federal	Safe and Drug Free	Reduced Unnecessary Budget Authority	($491)
DC Public Schools	000HLN	04	Federal	Safe and Drug Free	Reduced Unnecessary Budget Authority	($6,000)

Agency	Grant Number	Phase	Type	Grant Name	Reason for Request	Increase/Decrease Amount
DC Public Schools	000HRA	04	Federal	HIV/AIDS Education	Reduced Unnecessary Budget Authority	($36,165)
DC Public Schools	000ITA	04	Federal	Improving Teacher Quality	Increase Budget to meet Projected Expenditures	$562,947
DC Public Schools	000ITD	04	Federal	Improving Teacher Quality	Reduced Unnecessary Budget Authority	($6,118,981)
DC Public Schools	000ITD	03	Federal	Improving Teacher Quality	Carryover from FY03 Budget	$299,875
DC Public Schools	000ITL	04	Federal	Improving Teacher Quality	Reduced Unnecessary Budget Authority	($339,179)
DC Public Schools	000ITN	04	Federal	Improving Teacher Quality	Increase Budget to meet Projected Expenditures	$1,356,246
DC Public Schools	000ITP	04	Federal	Improving Teacher Quality	Increase Budget to meet Projected Expenditures	$143,578
DC Public Schools	000ITQ	04	Federal	Improving Teacher Quality	Increase Budget to meet Projected Expenditures	$2,314,370
DC Public Schools	000ITS	04	Federal	Improving Teacher Quality	Reduced Unnecessary Budget Authority	($199,527)
DC Public Schools	000ITT	04	Federal	Improving Teacher Quality	Increase Budget to meet Projected Expenditures	$209,479
DC Public Schools	000JBS	04	Federal	State Improvement Special Education	Established Budget Authority	$841,940
DC Public Schools	000MEP	04	Federal	Professional Development Music Education	Establish Budget Authority	$113,385
DC Public Schools	000RSA	04	Federal	State Assessment/Related Act	Increase Budget to meet Projected Expenditures	$332,852
DC Public Schools	000RSS	04	Federal	State Assessment/Related Act	Reduced Unnecessary Budget Authority	($283,519)

Agency	Grant Number	CFDA	Fund Type	Grant Name	Description of Budget Action	Amount
DC Public Schools	000RSS	03	Federal	State Assessment/Related Act	Carryover from FY03 Budget	$2,557,628
DC Public Schools	000TNT	04	Federal	Transition to Teaching	Establish Budget Authority	($2,500)
DC Public Schools	000TQE	04	Federal	Transition to Teaching	Reduced Unnecessary Budget Authority	($100,000)
DC Public Schools	000WKT	04	Private	Debeneure/Dickens Center @ Ketcham ES	Establish Budget Authority	$8,855
Department of Health	31EHIS	04	Federal	Pollution Prevention Incentive for States	Carryover from FY03 Budget	$40,000
Department of Health	31EHTS	04	Federal	FY03 Telemetry & Push Net	Carryover from FY03 Budget	$22,552
Department of Health	31PHCD	04	Federal	Chronic Disease Prevention & Health Promotion Program	Established Budget Authority	$274,465
Department of Health	32NCPC	04	Federal	National Cancer Prevention & Control Program	Established Budget Authority	$715,114
Department of Health	41EHTS	04	Federal	FY04 Telemetry & Push Net	Establish Budget Authority	$36,197
Department of Health	41SHPG	04	Federal	State Planning Grant	Establish Budget Authority	$879,046
Department of Housing and Community Development	000ESG	04	Federal	Emergency Shelter Grant	Reduced Unnecessary Budget Authority	($33,000)
Department of Housing and Community Development	000CDBG	04	Federal	Community Development	Reduced Unnecessary Budget Authority	($427,225)
Department of Housing and Community Development	00HOME	04	Federal	HOME Investment	Increase Budget to meet Projected Expenditures	$1,338,777
Department of Human Services	31PHCR	04	Federal	Cancer Registry	Reduced Unnecessary Budget Authority	($351,647)

Agency Name	Grant Number	Phase	Type	Program Name	Reason for Budget Request	Budget Amount
Department of Human Services	39AFTF	04	Federal	FY03 TANF	Carryover from FY03 Budget	$28,555,842
Department of Human Services	41PHBC	04	Federal	Breast & Cervical Cancer Early Detection Program	Reduced Unnecessary Budget Authority	($405,486)
Department of Human Services	41PHBR	04	Federal	Behavioral Risk Factor Surveillance	Reduced Unnecessary Budget Authority	($160,787)
Department of Human Services	41PHCR	04	Federal	Cancer Registry	Reduced Unnecessary Budget Authority	($111,570)
Department of Human Services	41PHTP	04	Federal	Tobacco Prevention & Control	Reduced Unnecessary Budget Authority	($113,678)
Department of Human Services	91JAMA	04	Federal	Medicaid Enhancement (as of 10/01/02)	Carryover from FY03 Budget	$749,217
Department of Transportation	03TREE	00	Federal	Urban Forestry and Community	Reduced Unnecessary Budget Authority	($300,000)
Department of Transportation	PLANNG	04	Federal	FY04 Metropolitan and State Planning	Reduced Unnecessary Budget Authority	($268,541)
Department of Transportation	PLANNG	03	Federal	FY03 State and Transit Planning	Carryover from FY03 Budget	$94,889
Department of Transportation	SPLANN	02	Federal	FY02 State Planning	Carryover from FY03 Budget	$120,809
Department of Transportation	TRANSP	04	Federal	FY04 Transportation Elderly Disabled	Reduced Unnecessary Budget Authority	($321,700)
Department of Transportation	TRANSP	00	Federal	FY00 Transportation Elderly and Disabled	Carryover from FY03 Budget	$33,904
Department of Transportation	TRANSP	01	Federal	FY01 Transportation Elderly and Disabled	Carryover from FY03 Budget	$35,930
Department of Transportation	TRANSP	02	Federal	FY02 Transportation Elderly and Disabled	Carryover from FY03 Budget	$202,197
Department of Transportation	TRANSP	03	Federal	FY03 Transportation of Elderly and Disabled	Carryover from FY03 Budget	$121,700

ENROLLED ORIGINAL

Agency	Grant Number	Phase	Source	Grant Name	Reason for Increase/Decrease	Increase/Decrease Amount
Department of Transportation	UTREE1	02	Federal	Urban Forestry and Community	Carryover from FY03 Budget	$200,000
University of District of Columbia	6F1200	03	Federal	UDC & LCC Partners in Cancer Prevention	Establish Budget Authority	$345,170
University of District of Columbia	6F1300	04	Federal	Minority Science Improvement	Establish Budget Authority	$126,164
University of District of Columbia	6F7200	04	Federal	TITLE III Strengthening HBCU	Increase Budget to meet Projected Expenditures	$1,594,260
University of District of Columbia	6F9A00	03	Federal	Veterans Upward Bound Program	Establish Budget Authority	$8,119
DC Public Schools	000ITN	03	Federal	Improving Teacher Quality	Carryover from FY03 Budget	$2,101,000
DC Public Schools	000ITP	03	Federal	Improving Teacher Quality	Carryover from FY03 Budget	$991,358
DC Public Schools	000ITQ	03	Federal	Improving Teacher Quality	Carryover from FY03 Budget	$254,792
DC Public Schools	000JBE	04	Federal	Special Education Grants to States	Increase Budget to meet Projected Expenditures	$469,969
DC Public Schools	000ERF	04	Federal	Reading First	Increase Budget to meet Projected Expenditures	$85,955
DC Public Schools	000ERS	04	Federal	Reading First	Increase Budget to meet Projected Expenditures	$105,495
DC Public Schools	000MSP	04	Federal	Math & Science Partnership	Increase Budget to meet Projected Expenditures	$474,257
DC Public Schools	000MSS	04	Federal	Math & Science Partnership	Increase Budget to meet Projected Expenditures	$24,961
DC Public Schools	000EAA	03	Federal	Title I Grants	Carryover from FY03 Budget	$850,000
DC Public Schools	000EAG	03	Federal	Title I Grants	Carryover from FY03 Budget	$173,080

DC Public Schools	000EAZ	03	Federal	Title I Grants	Carryover from FY03 Budget	$3,131,306
DC Public Schools	000GAZ	03	Federal	Impact Aid	Carryover from FY03 Budget	$500,000
DC Public Schools	000ZHZ	04	Federal	Even Start	Increase Budget to meet Projected Expenditures	$210,550
DC Public Schools	000ZGZ	04	Federal	Even Start	Reduced Unnecessary Budget Authority	($444)
DC Public Schools	000MAR	03	Federal	Comprehensive School Grants	Carryover from FY03 Budget	$241,465
DC Public Schools	000RCI	04	Federal	Refugee Settlement	Increase Budget to meet Projected Expenditures	$73,560
Department of Corrections	SCAPP04	04	Federal	State Criminal Alien Asst.	Established Budget Authority	$88,517
Department of Transportation	SPLANN	04	Federal	Statewide Planning and Research	Carryover from FY03 Budget	$ (140,521)

Sec. 3. Pursuant to the Acts, the acceptance and use of the following grants, issued to reimburse September 2003 costs associated with hurricane Isabel, are hereby approved.

Department of Employment Services	DUAFLB	03	Federal	Disaster Relief Benefits	Establish Budget Authority	$27,600
Department of Employment Services	DUAFLA	03	Federal	Disaster Relief Administration	Establish Budget Authority	$2,760
Emergency Management Agency	FE1493	04	Federal	Hurricane Isabel's FY03	Establish Budget Authority	$375,000

Sec. 4. Fiscal impact statement.

This legislation does not affect the District of Columbia's budget or financial plan and, therefore, has no fiscal impact.

Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code §1-204.12(a)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia
APPROVED
November 25, 2003

ENROLLED ORIGINAL

AN ACT

D.C. ACT 15-253

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

NOVEMBER 25, 2003

Codification District of Columbia Official Code

2001 Edition

2004 Winter Supp.

West Group Publisher

To amend, on an emergency basis, the District of Columbia Procurement Practices Act of 1985 to provide that the term of the Inspector General shall end in 2008 and shall not vary thereafter from a six-year term and to provide, subject to Congressional enactment, that in a non-control year, the Inspector General may be removed for cause by the Mayor with the approval of 2/3 of the members of the Council present and voting.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Inspector General Appointment and Term Clarification Emergency Amendment Act of 2003".

Note, § 2-302.08

Sec. 2. Section 208(a)(1)(A) of the District of Columbia Procurement Practices Act of 1985, effective February 21, 1986 (D.C. Law 6-85; D.C. Official Code § 2-302.08(a)(1)(A)), is amended as follows:

(a) The existing text is re-designated as sub-subparagraph (i).

(b) A new sub-subparagraph (ii) is added to read as follows:

"(ii) The Inspector General first appointed by the Mayor, with the advice and consent of the Council, on or after November 4, 2003, shall serve until May 19, 2008. Each Inspector General appointed to fill the position after May 19, 2008, shall serve a 6-year term to end May 19, 2014, and every 6 years thereafter.".

(c) A new sub-subparagraph (iii) is added to read as follows:

"(iii) During a year which is not a control year, the Inspector General shall be removed for cause by the Mayor with the approval of 2/3 of the members of the Council present and voting, by resolution.".

Sec. 3. Applicability.

Section 2(c) shall apply upon its enactment by Congress.

Sec. 4. Fiscal impact statement.

This legislation will have no fiscal impact. The Council adopts the attached fiscal impact statement as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia
APPROVED
November 25, 2003

DISTRICT OF COLUMBIA REGISTER

ENROLLED ORIGINAL

DEC 2 6 2003

COUNCIL OF THE DISTRICT OF COLUMBIA
OFFICE OF THE BUDGET DIRECTOR FISCAL IMPACT STATEMENT

Bill Number:	Type: Emergency (x) Temporary ( ) Permanent ( )	Date Reported: November 2003

Subject/Short Title: "The Inspector General Appointment and Term Clarification Amendment Emergency Act of 2003"

Part I. Summary of the Fiscal Estimates of the Bill

	YES	NO
1. It will impact spending. (If "Yes," complete Section 1 in the Fiscal Estimate Worksheet).	( )	(x)
a) It will affect local expenditures.	( )	(x)
b) It will affect federal expenditures.	( )	(x)
c) It will affect private/other expenditures.	( )	(x)
	( )	(x)
d) It will affect intra-District expenditures.		
	( )	(x)
2. It will impact revenue. (If "Yes," complete Section 2 in the Fiscal Estimate Worksheet).	( )	(x)
a) It will impact local revenue.	( )	(x)
b) It will impact federal revenue.	( )	(x)
c) It will impact private/other revenue.	( )	(x)
d) It will impact intra-District revenue.		
3. The bill will have NO or minimal fiscal impact. (If "Yes," explain below).	(X)	( )

Explanation: The bill will have no fiscal impact because it clarifies the terms of office for the new Inspector General.

Part II. Other Impact of the Bill

If you check "Yes" for each question, please explain on separate sheet, if necessary.

	YES	NO
1. It will affect an agency and/or agencies in the District.	( )	(x)
2. Are there performance measures/output for this bill?	( )	(x)
3. Will it have results/outcome, i.e., what would happen if this bill is not enacted?	(x)	( )

If the bill is not enacted, the District may hire an Inspector General without providing clarity of the term of service and the terms for removal.

4. Are funds appropriated for this bill in the Budget and Financial Plan for the current year? No funds are required to be appropriated because resources are in place to hire a new Inspector General and negotiate the terms of service.	( )	(x)

Sources of information: Staff	Councilmember: Vincent B. Orange, Sr.
	Staff Person & Tel: Mercia E. Arnold, 724-8918
	Council Budget Director's Signature: 11/4/03

ENROLLED ORIGINAL

AN ACT

D.C. ACT 15-254

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

NOVEMBER 25, 2003

Codification District of Columbia Official Code

2001 Edition

2004 Winter Supp.

West Group Publisher

To provide for the creation of certified capital companies to invest in early stage and start-up enterprises in the District of Columbia and to provide an insurance premium tax credit for insurance companies making investments in certified capital companies.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Certified Capital Companies Act of 2003".

Sec. 2. Definitions.

For the purpose of this act, the term:

(1) "Affiliate" means:

(A) Any person, directly or indirectly, beneficially owning (whether through rights, options, convertible interests, or otherwise), controlling, or holding power to vote 15% or more of the outstanding voting securities or other voting ownership interests of the Certified Capital Company or Certified Investor;

(B) Any person with15% or more of its outstanding voting securities or other voting ownership interests directly or indirectly beneficially owned (whether through rights, options, convertible interests, or otherwise), controlled, or held with power to vote by the Certified Capital Company or Certified Investor;

(C) Any person directly or indirectly controlling, controlled by, or under common control with the Certified Capital Company or Certified Investor;

(D) A partnership or limited liability company in which the Certified Capital Company or Certified Investor is a general partner, manager, or managing member; or

(E) Any person who is an officer, director, employee, or agent of the Certified Capital Company or Certified Investor or an immediate family member of the officer, director, employee, or agent.

(2) "Allocation Date" means the date on which the Certified Investors of a Certified Capital Company are allocated Premium Tax Credits by the Commissioner under section 5.

(3) "Certified Capital" means an investment of cash by a Certified Investor in a Certified Capital Company that fully funds the purchase price of an equity interest in the

Certified Capital Company, a Qualified Debt Instrument, or a combination of the two.

(4) "Certified Capital Company" means a partnership, corporation, trust, or limited liability company, whether organized on a profit or not for profit basis, that has as its primary business activity the investment of cash in Qualified Businesses and that is certified by the Commissioner as meeting the criteria of this act.

(5) "Certified Investor" means any insurance company, approved by the Commissioner, that invests Certified Capital pursuant to an allocation of Premium Tax Credits under section 5.

(6) "Commissioner" means the Commissioner of Insurance and Securities Regulation.

(7) "District" means the District of Columbia.

(8) "District Premium Tax Liability" means any liability incurred by an insurance company under section 650 of the Life Insurance Act, effective October 13, 1978 (D.C. Law 2-120; D.C. Official Code § 31-205) ("Act") or, in the case of a repeal or reduction by the District of the tax imposed by the Act, any other tax liability incurred by an insurance company under District law.

(9) "Person" means any natural person or entity, including a corporation, general or limited partnership, trust, or limited liability company.

(10) "Premium Tax Credit" means a tax credit which may be applied against a Certified Investor's District Premium Tax Liability under section 4.

(11) "Premium Tax Credit Allocation Request" means an application for allocation of Premium Tax Credits prepared and executed by a Certified Investor on a form provided by the Commissioner and filed by a Certified Capital Company with the Commissioner.

(12)(A) "Qualified Business" means a business, except as provided in subparagraphs (B) and (C) of this paragraph, that meets the following qualifications as of the time of a Certified Capital Company's initial investment in the business:

(i) It is headquartered in the District, its principal business operations are located in the District, and the Qualified Investment it receives is used solely to support its business operations in the District, except for advertising, promotions and sales purposes;

(ii) At least 25% of its employees are residents of the District;

(iii) At least 75% of its employees are employed in the District;

(iv) It is a small business concern as defined in 13 CFR §121.201; and

(v) It certifies in an affidavit that the business is unable to obtain conventional financing, which means that the business has failed in an attempt to obtain funding for a loan from a bank or other commercial lender or that the business cannot reasonably be expected to qualify for financing under the standards of commercial lending.

(B) A business engaged in professional services provided by accountants,

lawyers, or physicians shall not constitute a Qualified Business.

(C) A business that does not meet all of the qualifications set forth in subparagraph (A) of this paragraph may be deemed a Qualified Business for purposes of allowing an investment in the business by a Certified Capital Company if the Commissioner determines that the proposed investment will further economic development in the District and certifies the business as a Qualified Business for purposes of the investments.

(13) "Qualified Debt Instrument" means a debt instrument issued to a Certified Investor by a Certified Capital Company, at par value or a premium, with an original maturity date of at least 5 years from date of issuance and a repayment schedule which is no faster than a level principal amortization over 5 years, which does not permit the Certified Investor to receive prepayment of interest, and which contains no interest, distribution, or payment features which are related to the profitability of the issuing Certified Capital Company or the performance of its investment portfolio.

(14) "Qualified Distribution" means any distribution or payment of a Certified Capital Company in connection with the following:

(A) Reasonable costs and expenses of forming and syndicating the Certified Capital Company, which may include the costs of financing and insuring the obligations of the Certified Capital Company; provided, that no more than one Certified Investor, or the Affiliates thereof, in the Certified Capital Company may receive a Qualified Distribution related to providing a guaranty, indemnity, bond, insurance policy, or other payment undertaking in favor of all of the Certified Investors;

(B) Reasonable costs and expenses of managing and operating the Certified Capital Company, including reasonable and necessary fees paid for professional services (such as legal and accounting services) related to the formation and operation of the Certified Capital Company and an annual management fee in an amount that does not exceed 2½% of the Certified Capital of the Certified Capital Company; and

(C) Any projected increase in federal or state taxes of the direct or indirect equity holders of a Certified Capital Company resulting from the earnings or other tax liability of the Certified Capital Company to the extent that the increase is related to the direct or indirect ownership of a Certified Capital Company.

(15) "Qualified Investment" means the investment of cash by a Certified Capital Company in a Qualified Business for the purchase of any debt, debt participation, equity, or hybrid security, of any nature and description, including a debt instrument or security which has the characteristics of debt but which provides for conversion into equity or equity participation instruments, such as options or warrants.

Sec. 3. Certification.

(a) The Commissioner shall begin accepting applications for certification as a Certified Capital Company not later than 150 days after the effective date of this act. An applicant for certification as a Certified Capital Company shall pay a nonrefundable application fee of

$15,000 at the time of filing the application with the Commissioner. The Commissioner shall establish by rule or regulation the procedures for making an application for certification as a Certified Capital Company.

(b) From the time of the application to the time of allocation of Premium Tax Credits, the applicant shall have equity capitalization of at least $500,000 that must be in the form of unencumbered cash, marketable securities, or other liquid assets.

(c) The Commissioner shall review the organizational documents of each applicant for certification and the business history of the applicant and shall determine whether the applicant's cash, marketable securities, and other liquid assets meet the requirements of subsection (b) of this section. As part of its application, each applicant shall submit to the Commissioner its balance sheet, audited with an unqualified opinion of an independent certified public accountants, that is dated no earlier than 35 days prior to the date the application is filed under subsection (a) of this section.

(d) The applicant shall certify that the Certified Capital Company does or will, following certification, maintain its principal office within the District and shall commit to maintain a set of its books, records, files, and any other information required by the Commissioner as a condition of certification or as required by rule or regulation.

(e) The Commissioner shall verify that at least 2 principals of the Certified Capital Company or at least 2 persons employed or engaged to manage the funds of the Certified Capital Company each have 3 or more years of experience in the venture capital industry.

(f) Any offering material involving the sale of securities of the Certified Capital Company shall include the following statement:

"By authorizing the formation of a Certified Capital Company, the District of Columbia does not necessarily endorse the quality of management or the potential for earnings of such company and is not liable for any damages or losses to any investor in the company. Use of the word "certified" in any offering material does not constitute a recommendation or endorsement of the investment by the District of Columbia, its officers, employees, or agents. Upon a violation of the Certified Capital Companies Act of 2003, the District of Columbia may require forfeiture of unused Premium Tax Credits and repayment of used Premium Tax Credits."

(g) Within 30 days of receipt of a complete application, the Commissioner shall issue the certification or shall provide the applicant with notice of the disapproval of the certification that shall communicate in detail to the applicant the grounds for the refusal, including suggestions for curing any defects in the application. If an applicant submits an amended application within 15 days of receipt of refusal by the Commissioner, the Commissioner shall have 15 days from the receipt of the complete amended application by which to communicate its approval or refusal of the amended application to the applicant. The Commissioner shall review and approve or reject applications in the order complete applications are received.

(h) No insurance company or any Affiliate of an insurance company shall, directly or indirectly, own (whether through rights, options, convertible interests, or otherwise) 15% or more of the voting equity interests, or other voting ownership interests of or manage a Certified

Capital Company or control the direction of investments for a Certified Capital Company. This provision shall not preclude a Certified Investor, insurance company, or any other person from exercising its legal rights and remedies (which may include interim management of a Certified Capital Company): (1) if a Certified Capital Company is in default of its statutory obligations or its contractual obligations to the Certified Investor, insurance company, or other person; or (2) otherwise insure that the Certified Capital Company satisfies the requirements of section 6. Nothing in this section shall limit an insurance company's ownership of nonvoting equity securities or other nonvoting ownership interests of the Certified Capital Company.

Sec. 4. Premium Tax Credit.

(a) Any Certified Investor who makes an investment of Certified Capital pursuant to an allocation of Premium Tax Credits under section 5 shall, in the year of investment, earn a Premium Tax Credit in the amount of the Certified Investor's investment of Certified Capital.

(b) A Certified Investor may claim an amount not to exceed 25 % of the Premium Tax Credits per year ("Annual Amount") against its District Premium Tax Liability, beginning with the premium tax filing for calendar year 2009. The Annual Amount shall not exceed the District Premium Tax Liability of the Certified Investor for the taxable year. All unused Premium Tax Credits may be carried forward indefinitely until they are utilized.

(c)(1) A Certified Investor may use up to ½ of its Annual Amount to offset its required June 1st payment of ½ of an insurance company's District Premium Tax Liability, as set forth under section 650(b)(4) of the Life Insurance Act, effective October 13, 1978 (D.C. Law 2-120; D.C. Official Code § 31-205(b)(4)), beginning with the June 1, 2008 payment.

(2) A Certified Investor claiming a Premium Tax Credit shall not be required to pay any additional or retaliatory tax levied pursuant to section 650(f)(1) of the Life Insurance Act, effective October 13, 1978 (D.C. Law 2-120; D.C. Official Code § 31-205(f)(1)) as a result of claiming the Premium Tax Credit.

(d) A Certified Investor shall not be required to reduce the amount of premium tax included by the Certified Investor in connection with ratemaking in the District, for any insurance written by the Certified Investor or affiliate thereof, because of a reduction in the Certified Investor's District Premium Tax Liability from the utilization of the Premium Tax Credits.

Sec. 5. Aggregate limitations on Premium Tax Credits; Premium Tax Credit Allocation Requests.

(a) The aggregate amount of Premium Tax Credits that shall be allowed for all Certified Investors under this act shall not exceed $50 million. No Certified Capital Company, on an aggregate basis with its Affiliates, shall file Premium Tax Credit Allocation Requests in excess of the maximum amount of Premium Tax Credits which may be allowed.

(b) A Premium Tax Credit Allocation Request shall be made by a Certified Investor on a form provided by the Commissioner and filed with the Commissioner by a Certified Capital

Company on behalf of the Certified Investor. The form shall include the affidavit of the Certified Investor pursuant to which the Certified Investor shall irrevocably commit to invest Certified Capital in the Certified Capital Company in the amount of the Premium Tax Credit allocated to it (even if the amount is less than the amount of the Premium Tax Credit Allocation Request). The maximum amount of Premium Tax Credit Allocation Requests which shall be allowed to be filed by any one Certified Investor, on an aggregate basis with its Affiliates, in one or more Certified Capital Companies, shall not exceed the greater of $10 million or 15% of the aggregate limitation as provided in subsection (a) of this section.

(c) Premium Tax Credits shall be allocated to Certified Investors in Certified Capital Companies in the order that Premium Tax Credit Allocation Requests are filed with the Commissioner by the Certified Capital Companies on their behalf. The Premium Tax Credit Allocation Requests may be filed on or after the effective date of this act and the filings made before such date shall be considered to have been received by the Commissioner on such date. All filings made on the same day shall be treated as having been made contemporaneously. The deadline for submitting Premium Tax Credit Allocation Requests shall be the first business day which occurs 90 days after the date on which the Commissioner will begin accepting applications for certification as a Certified Capital Company pursuant to section 3.

(d)(1) If 2 or more Certified Capital Companies file Premium Tax Credit Allocation Requests with the Commissioner on behalf of their respective Certified Investors on the same day, and the amount of the Premium Tax Credit Allocation Requests exceeds in the aggregate the limit of available Premium Tax Credits under subsection (a) of this section, Premium Tax Credits shall be allocated among the Certified Investors on a *pro rata* basis. The *pro rata* allocation for any one Certified Investor shall be the product of a fraction, the numerator of which is the amount in the Premium Tax Credit Allocation Request filed on behalf of the Certified Investor and the denominator of which is the total of the amounts in all Premium Tax Credit Allocation Requests filed on behalf of all Certified Investors, multiplied by the aggregate limitation as provided in subsection (a) of this section.

(2) No allocation shall be made to the Certified Investors of a Certified Capital Company unless the Certified Capital Company has filed Premium Tax Credit Allocation Requests that are not less than 15% of the Premium Tax Credits available under subsection (a) of this section; provided, that if the allocation process does not result in all Premium Tax Credit Allocation Requests having been filled, the 15% minimum shall be reduced to 10% and then 5% until the aggregate of Premium Tax Credits provided in subsection (a) of this section have been allocated or all Premium Tax Credit Allocation Requests have been filled.

(e) Within 5 business days after the Commissioner receives a Premium Tax Credit Allocation Request filed by a Certified Capital Company, the Commissioner shall notify the Certified Capital Company of the amount of Premium Tax Credits allocated to each of the Certified Investors in the Certified Capital Company.

(f) At the time of receipt of Certified Capital from Certified Investors, the total cash, cash equivalents, or other assets readily available to the Certified Capital Company to make

Certified Investments after deducting the costs and expenses of forming and syndicating the Certified Capital Company shall be an amount equal to or greater than 50% of the total Premium Tax Credit allocated to the Certified Investors under subsection (e) of this section.

(g) If a Certified Capital Company does not receive from a Certified Investor an investment of Certified Capital equaling or exceeding the amount of Premium Tax Credits allocated to the Certified Investor within 5 business days of the Certified Capital Company's receipt of notice of the allocation, the Premium Tax Credits allocated to the Certified Investor shall be forfeited, and the Commissioner, within 5 business days, shall reallocate the Premium Tax Credits among the other Certified Investors in all Certified Capital Companies on a *pro rata* basis with respect to the Premium Tax Credit Allocation Requests filed.

Sec. 6. Requirements for continuance of certification.

(a) To continue to be certified, a Certified Capital Company shall make Qualified Investments according to the following schedule:

(1) Within the period ending 30 months after its Allocation Date, a Certified Capital Company shall have made Qualified Investments cumulatively equal to 20% of its Certified Capital;

(2) Within the period ending 4 years after its Allocation Date, a Certified Capital Company shall have made Qualified Investments cumulatively equal to 40% of its Certified Capital; and

(3) Within the period ending 5 years after its Allocation Date, a Certified Capital Company shall have made Qualified Investments cumulatively equal to 50% of its Certified Capital.

(b) The aggregate cumulative amount of all Qualified Investments made by the Certified Capital Company following its Allocation Date will be considered in the calculation of the percentage requirements under this act. For purposes of satisfying the percentage requirements of subsection (a) of this section only, a Certified Capital Company that invests in a Qualified Business that certifies in an affidavit that at least 80% of its employees, at the time of the investment, are residents of the District shall be deemed to have invested $1.50 for every dollar actually so invested. Any proceeds received from a Qualified Investment may be invested in another Qualified Investment and shall count toward any requirement in this act with respect to investments of Certified Capital.

(c) A Qualified Business at the time of first investment in the business by a Certified Capital Company shall remain classified as a Qualified Business. The business may receive additional investments from any Certified Capital Company if it continues to meet the qualifications for a Qualified Business and the additional investments shall be Qualified Investments; provided, that the Commissioner may waive one or more of the requirements for qualification as for a Qualified Business if the business was a Qualified Business at the time of the initial investment.

(d) No Qualified Investment shall exceed 15% of the total Certified Capital of the

Certified Capital Company at the time of investment.

(e) At its option, a Certified Capital Company, prior to making an investment in a specific business, may request from the Commissioner a written opinion that the business is a Qualified Business. Upon receiving the request, the Commissioner shall have 15 days to determine whether or not the business is a Qualified Business and notify the Certified Capital Company of its determination and an explanation. If the Commissioner fails to notify the Certified Capital Company with respect to the proposed investment within the 15-day period, the business shall be deemed to be a Qualified Business.

(f) All Certified Capital not placed in Qualified Investments by the Certified Capital Company may be held or invested in a manner that the Certified Capital Company, in its discretion, considers appropriate; provided, that the Certified Capital Company shall not invest more than 5% of its Certified Capital in any security or policy issued by a Certified Investor or an Affiliate of a Certified Investor or any account maintained by a Certified Investor or Affiliate of any Certified Investor, unless the Certified Investor or an Affiliate thereof is providing a guaranty, indemnity, bond, insurance policy, or other payment undertaking in favor of the Certified Investors, which security or policy is:

(1)(A) Rated "AA" or better by Standard & Poor's Ratings Group or the equivalent by another nationally-recognized rating agency; or

(B) Issued by, or guaranteed with respect to payment by, an entity whose unsecured indebtedness is rated at least "AA" or its equivalent by a nationally recognized credit rating organization; and

(2) Not subordinated to other unsecured indebtedness of the issuer or the guarantor, as the case may be.

(g) Each Certified Capital Company shall report to the Commissioner as follows:

(1) Within 5 business days after the receipt of Certified Capital, each Certified Capital Company shall report the following to the Commissioner:

(A) The name of each Certified Investor from which the Certified Capital was received, including the Certified Investor's insurance premium tax identification number;

(B) The amount of each Certified Investor's investment of Certified Capital and Premium Tax Credits; and

(C) The date on which the Certified Capital was received.

(2) On or before January 31st of each year, each Certified Capital Company shall report the following to the Commissioner:

(A) The amount of the Certified Capital Company's Certified Capital at the end of the immediately preceding year;

(B) Whether or not the Certified Capital Company has invested more than 15% of its total Certified Capital in any one business; and

(C) All Qualified Investments that the Certified Capital Company made during the previous calendar year.

(3) Each Certified Capital Company shall provide to the Commissioner annual

audited financial statements, which shall include the opinion of an independent certified public accountant, within 120 days after the end of the fiscal year. In addition, each Certified Capital Company shall provide an agreed-upon procedures report by their independent certified public accountant that shall address the methods of operation and conduct of the business of the Certified Capital Company to determine if the Certified Capital Company is complying with this act and the rules and regulations hereunder and that the Certified Capital has been invested as required within the time limits under section (a) of this section.

(4) On or before January 31st of each year, each Certified Capital Company shall pay an annual, nonrefundable certification fee of $10,000 to the Commissioner; provided, that no fee shall be required within 6 months of the initial Allocation Date.

Sec. 7. One hundred percent investment requirement.

(a) A Certified Capital Company may make Qualified Distributions at any time. To make a distribution, other than a Qualified Distribution, a Certified Capital Company shall have made Qualified Investments in an amount cumulatively equal to 100% of its Certified Capital. A Certified Capital Company may repay principal and interest on its indebtedness without any restriction, including repayments of indebtedness of the Certified Capital Company on which Certified Investors earned Premium Tax Credits.

(b)(1) When distributions to holders of equity interests of a Certified Capital Company cumulatively exceed the Certified Capital Company's original Certified Capital plus any additional capital contributions to the Certified Capital Company (the "Certified Capital Company Capital"), the Certified Capital Company shall report to the Commissioner at the time of the distribution whether the aggregate total of such distributions, when combined with the annual Premium Tax Credits allocated to the Certified Capital Company's Certified Investors under this act to that time, have resulted in an annual internal rate of return exceeding 15% on the Certified Capital Company Capital.

(2) If the Certified Capital Company's annual internal rate of return, determined in accordance with paragraph (1) of this subsection, exceeds 15%, the Certified Capital Company shall at the time of the distribution pay to the Commissioner an amount equal to15% of the amount above that required to produce the 15% return.

Sec. 8. Decertification.

(a) The Commissioner shall conduct an annual review of each Certified Capital Company to determine if the Certified Capital Company is complying with the requirements of certification, to advise the Certified Capital Company as to the eligibility status of its Qualified Investments, and to ensure that no investment has been made in violation of this act. The cost of the annual review shall be paid by each Certified Capital Company under a fee schedule adopted by the Commissioner.

(b) Any material violation of section 6 shall be grounds for decertification of the Certified Capital Company. If the Commissioner determines that a Certified Capital Company is

not in compliance with the requirements of section 6, the Commissioner shall, by written notice, inform the officers of the Certified Capital Company that the Certified Capital Company is subject to decertification in 120 days from the date of mailing of the notice unless the deficiencies are corrected.

(c) If the Certified Capital Company is not in compliance with section 6 at the end of the 120-day notice period , the Commissioner may send a notice of decertification to the Certified Capital Company and to all other appropriate District agencies.

(d) Decertification of a Certified Capital Company may cause the recapture of Premium Tax Credits previously claimed and the forfeiture of future Premium Tax Credits to be claimed by Certified Investors with respect to the Certified Capital Company, as follows:

(1) Decertification of a Certified Capital Company within 3 years of the Allocation Date shall cause the recapture of all Premium Tax Credits previously claimed and the forfeiture of all future Premium Tax Credits to be claimed by Certified Investors unless the Certified Capital Company has met the requirements for continued certification as provided in this subsection.

(2) If a Certified Capital Company has met all requirements for continued certification under section 6(a)(1) and subsequently fails to meet the requirements for continued certification under the provisions of section 6(a)(2), the Premium Tax Credits which have been or could be taken, subject to the other provisions of this act, by Certified Investors within 3 years from the Allocation Date shall not be subject to recapture or forfeiture; provided, that all other Premium Tax Credits shall be subject to recapture or forfeiture.

(3) If a Certified Capital Company has met all requirements for continued certification under section 6(a)(1) and (2) and is subsequently decertified, the Premium Tax Credits which have been or could be taken, subject to the other provisions of this act, by Certified Investors within 4 years from the Allocation Date shall not be subject to recapture or forfeiture; provided, that all other Premium Tax Credits shall be subject to recapture or forfeiture.

(4) If a Certified Capital Company has met all requirements for continued certification under section 6(a)(1), (2), and (3) and is subsequently decertified, those Premium Tax Credits which have been or could be claimed, subject to the other provisions of this act, by Certified Investors within 5 years from the Allocation Date shall not be subject to recapture or forfeiture. The Premium Tax Credits to be claimed subsequent to the 5th anniversary of the Allocation Date shall be subject to forfeiture only if the Certified Capital Company is decertified within 5 years from the Allocation Date.

(5) If a Certified Capital Company has invested an amount cumulatively equal to 100% of its Certified Capital in Qualified Investments, notwithstanding any other provision of this act, all Premium Tax Credits shall not be subject to recapture or forfeiture.

(e) If a Certified Capital Company has invested an amount cumulatively equal to 100% of its Certified Capital in Qualified Investments, notwithstanding any other provision of this act, the Certified Capital Company shall not be subject to regulation by the Commissioner.

(f) The Commissioner shall send written notice to each Certified Investor whose Premium Tax Credits have been subject to recapture or forfeiture at the address last shown on the last premium tax filing.

(g) The Commissioner may waive, pursuant to rules established pursuant to section 10, any recapture or forfeiture of credits if, after considering all facts and circumstances, he or she determines that the waiver will have the effect of furthering the District's economic development.

Sec. 9. Transferability.

The Premium Tax Credits may be transferred or sold. The Commissioner shall promulgate regulations to facilitate the transfer or sale of Premium Tax Credits. Any the transfer or sale shall not affect the time schedule for claiming the Premium Tax Credits. Any Premium Tax Credits recaptured under section 8 shall be the liability of the Certified Investor that actually claimed the Premium Tax Credits.

Sec. 10. Rulemaking.

The Commissioner shall issue rules and regulations to implement this act within 120 days of the effective date of this act.

Sec. 11. Fiscal impact statement.

The Council adopts the attached fiscal impact statement as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 12. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c)(1) of the District of Columbia Home Rule Act, approved December

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24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia
APPROVED
November 25, 2003

Government of the District of Columbia
Office of the Chief Financial Officer

Natwar M. Gandhi
Chief Financial Officer

MEMORANDUM

TO: **The Honorable Linda W. Cropp**
Chairman, Council of the District of Columbia

FROM: **Natwar Gandhi**
Chief Financial Officer

DATE: NOV -3 2003

SUBJECT: **Fiscal Impact Statement: "Certified Capital Companies Act of 2003"**

REFERENCE: **Bill 15-20, As Amended**

Conclusion

Funds are sufficient in the District of Columbia's proposed FY 2004 through FY 2007 budget and financial plan to implement the amended "Certified Capital Companies Act of 2003." **The proposed legislation, as amended, has no fiscal impact over the period FY 2004 through FY 2007.**

Background

The "Certified Capital Companies Act of 2003" authorizes the Commissioner of the District of Columbia Department of Insurance and Securities Regulation (DISR) to certify capital companies that will invest start-up capital in qualified start-up businesses in the District. Companies applying for certification will pay DISR a non-refundable $15,000 application fee. Each certified capital company would then pay an annual certification fee of $10,000.

To encourage the creation of certified capital companies, the proposed legislation provides an insurance premium tax credit to insurance companies that make qualified investments in certified capital companies. Insurance companies that are deemed certified investors would be eligible to receive an insurance premium tax credit equal to 100 percent of their total investment in the certified capital companies, with a maximum of 25 percent of the premium tax credit available each year. However, the certified investors cannot begin to draw down the tax credits until their premium tax filings for calendar year 2009. The credit may not exceed the certified investor's insurance premium tax liability in any one year, but the credit may be carried forward

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indefinitely. The credits also may be sold or transferred. The purpose of the proposed legislation is to stimulate the growth of small and start-up businesses.

Financial Plan Impact

The proposed legislation allows for a maximum of $50 million of insurance premium tax credits over the life of the program and a maximum $12.5 million of the tax credits per year. The delay in the draw-down of the tax credits means that a certified investor can begin taking the tax credits by using up to one-half of its annual amount of premium tax credits to offset its required June 1, 2008 payment. The proposed legislation, therefore, has no fiscal impact for the FY 2004 through FY 2007 period.

The application fees and re-certification fees collected by DISR will be considered O-type revenue and will be used to support operation of the program. DISR also expects that it will periodically need to audit the qualified businesses to ensure they are meeting the requirements prescribed in the proposed legislation, but the agency anticipates it can carry out such audits using existing resources.

This fiscal impact statement supercedes the version entitled "Certified Capital Companies Act of 2003" that was signed and transmitted to Council on May 20, 2003. This statement reflects the impact of amendments made to Bill 15-20 that delay the draw-down of tax credits until calendar year 2009.

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AN ACT

D.C. ACT 15-255

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

NOVEMBER 25, 2003

Codification District of Columbia Official Code

2001 Edition

2004 Winter Supp.

West Group Publisher

To amend An Act For the promotion of anatomical science and to prevent the desecration of graves in the District of Columbia, An Act To establish a code of law for the District of Columbia, The Act of Parliament, 9 Anne, c. 14, § 8, An act to prevent cruelty to children or animals in the district of Columbia, and for other purposes, An Act To prohibit the business of debt adjusting in the District of Columbia except as an incident to the lawful practice of law as an activity engaged in by a nonprofit corporation or association, the District of Columbia Law Enforcement Act of 1953, An Act To further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes, An Act To provide that all persons employing female help in stores, shops, or manufactories in the District of Columbia shall provide seats for the same when not actively employed, An Act For the relief of street-car motormen, Chapter 29 of Title 47 of the District of Columbia Official Code, and the District of Columbia Traffic Act of 1925 to repeal outdated and unnecessary criminal provisions.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Elimination of Outdated Crimes Amendment Act of 2003".

Repeal § 3-208

Sec. 2. Section 8 of An Act For the promotion of anatomical science and to prevent the desecration of graves in the District of Columbia, approved April 29, 1902 (32 Stat. 175; D.C. Official Code § 3-208), is repealed.

Repeal §§ 22-101, 22-201, 22-304, 22-1302, 22-1303, 22-1304, 22-1709, 22-1710, 22-1711, 22-1712, 22-3304

Sec. 3. An Act To establish a code of law for the District of Columbia, approved March 3, 1901 (31 Stat. 1189; D.C. Official Code § 4-118 *et seq.*), is amended as follows:

(a) Section 809 (D.C. Official Code § 22-101) is repealed.

(b) Section 874 (D.C. Official Code § 22-201) is repealed.

(c) Section 822 (D.C. Official Code § 22-304) is repealed.

(d) Section 852 (D.C. Official Code § 22-1302) is repealed.

(e) Section 853 (D.C. Official Code § 22-1303) is repealed.

(f) Section 854 (D.C. Official Code § 22-1304) is repealed.

(g) Section 869a (D.C. Official Code § 22-1709) is repealed.

(h) Section 869b (D.C. Official Code § 22-1710) is repealed.

(i) Section 869c (D.C. Official Code § 22-1711) is repealed.

(j) Section 869d (D.C. Official Code § 22-1712) is repealed.

(k) Section 825 (D.C. Official Code § 22-3304) is repealed.

(l) Section 1 (D.C. Official Code § 45-401) is amended as follows:

(1) Designate the existing language as subsection (a). Amend § 45-401
(2) A new subsection (b) is added to read as follows:
"(b) The repeal of a criminal statute in the District of Columbia that is declaratory of or in abrogation of a common law crime shall not reinstate the common law crime.".
(m) section 1289 (D.C. Official Code § 46-407) is repealed. Repeal § 46-407
(n) Section 1290 (D.C. Official Code § 46-408) is repealed. Repeal § 46-408

Sec. 4. The Act of Parliament, 9 Anne, c. 14, § 8 (1710; D.C. Official Code § 22-408), is repealed. Repeal § 22-408

Sec. 5. Section 5 of An act to prevent cruelty to children or animals in the district of Columbia, and for other purposes, approved June 25, 1892 (27 Stat. 61; D.C. Official Code § 22-1014), is repealed. Repeal § 22-1014

Sec. 6. An Act To prohibit the business of debt adjusting in the District of Columbia except as an incident to the lawful practice of law as an activity engaged in by a nonprofit corporation or association, approved May 22, 1970 (84 Stat. 264; D.C. Official Code § 22-1201), is repealed. Repeal § 22-1201

Sec. 7. Section 214 of the District of Columbia Law Enforcement Act of 1953, approved June 29, 1953 (67 Stat. 99; D.C. Official Code § 22-1602), is repealed. Repeal § 22-1602

Sec. 8. Section 7 of An Act To further regulate banking, banks, trust companies, and building and loan associations in the District of Columbia, and for other purposes, approved March 4, 1933 (47 Stat. 1567; D.C. Official Code § 26-108), is repealed. Repeal § 26-108

Sec. 9. An Act To provide that all persons employing female help in stores, shops, or manufactories in the District of Columbia shall provide seats for the same when not actively employed, approved March 2, 1895 (28 Stat. 964; D.C. Official Code §§ 32-831 and 832), is repealed. Repeal § 32-831 Repeal § 32-832

Sec. 10. An Act For the relief of street-car motormen, approved March 3, 1905 (33 Stat. 1001; D.C. Official Code § 35-205), is repealed. Repeal § 35-205

Sec. 11. Chapter 29 of Title 47 of the District of Columbia Official Code is amended as follows:
(a) The table of contents is amended as follows:
(1) Strike the phrase "47-2905. Posting of price scale." and insert the phrase "47-2905. Posting of price scale. [Repealed]" in its place.
(2) Strike the phrase "47-2906. Penalty for failure to post price scale." and insert the phrase "47-2906. Penalty for failure to post price scale. [Repealed]" in its place.
(b) Section 47-2905 is repealed. Repeal § 47-2905
(c) Section 47-2906 is repealed. Repeal § 47-2906

Sec. 12. Section 11 of the District of Columbia Traffic Act of 1925, approved March 3, 1925 (43 Stat. 1124; D.C. Official Code § 50-2207.01), is repealed. Repeal § 50-2207.01

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Sec. 13. Fiscal impact statement.

The Council adopts the fiscal impact statement in the committee report as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 14. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 60-day period of Congressional review as provided in section 602(c)(2) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(2)), and publication in the District of Columbia Register.

Chairman
Council of the District of Columbia

Mayor
District of Columbia
APPROVED
November 25, 2003

ENROLLED ORIGINAL

AN ACT

D.C. ACT 15-256

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

NOVEMBER 25, 2003

Codification District of Columbia Official Code

2001 Edition

2004 Winter Supp.

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To amend the District of Columbia Health Occupations Revision Act of 1985 to require persons practicing marriage and family therapy to be licensed, to provide exemptions from the licensing requirement, to establish qualifications for licensure, and to establish the Board of Marriage and Family Therapy to regulate the practice of marriage and family therapy.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Marriage and Family Therapy Amendment Act of 2003".

Sec. 2. The District of Columbia Health Occupations Revision Act of 1985, effective March 25, 1986 (D.C. Law 6-99; D.C. Official Code § 3-1201.01 *et seq.*), is amended as follows:

(a) The table of contents is amended as follows:

(1) Add the phrase "Sec. 217. Board of Marriage and Family Therapy." after the phrase "Sec. 216. Board of Chiropractic.".

(2) Add the following after "Sec. 806. Waiver requirements.":

"TITLE VIII-A

"QUALIFICATIONS FOR LICENSURE TO PRACTICE MARRIAGE AND FAMILY THERAPY; TRANSITION OF LICENSED MARRIAGE AND FAMILY THERAPISTS.

"Sec. 831. Qualifications for licensure.

"Sec. 832. Transition of licensed marriage and family therapists.".

Amend § 3-1201.01

(b) Section 101(1) (D.C. Official Code § 3-1201.01(1)) is amended by adding the phrase "the Board of Marriage and Family Therapy," after the phrase "the Board of Dietetics and Nutrition,".

Amend § 3-1201.02

(c) Section 102 (D.C. Official Code § 3-1201.02) is amended as follows:

(1) A new paragraph (19) is added to read as follows:

"(19)(A) "Practice of marriage and family therapy" means the diagnosis and treatment of mental and emotional disorders, whether cognitive, affective, or behavioral, within the context of marriage and family systems. The practice of marriage and family therapy involves the professional application of psychotherapeutic and family systems theories and techniques in the delivery of services to individuals, couples, and families, singly or in groups,

whether the services are offered directly to the general public or through organizations, either public or private, for a fee, monetary or otherwise, for the purpose of treating the diagnosed nervous and mental disorders.

"(B) Nothing in subparagraph (A) of this paragraph shall be construed as preventing or restricting the practices, services, or activities of:

"(i) A person practicing marriage and family therapy within the scope of the person's employment or duties at:

"(I) A recognized academic institution, or a federal, state, county, or local governmental institution or agency; or

"(II) A nonprofit organization that is determined by the Board to meet community needs;

"(ii) A person who is a marriage and family therapy intern or person preparing for the practice of marriage and family therapy under qualified supervision in a training institution or facility or under another supervisory arrangement recognized and approved by the Board; provided, that the person is designated by a title clearly indicating the training status, such as "marriage and family therapy intern," "marriage therapy intern," or "family therapy intern," ; or

"(iii) A person who has been issued a temporary permit by the Board to engage in the activities for which licensure is required.

"(C) Nothing in this act shall be construed as preventing or restricting members of the clergy, or other health professionals licensed under this act, including clinical social workers, psychiatric nurses, psychiatrists, psychologists, physicians, or professional counselors, from practicing marriage and family therapy consistent with the accepted standards of their professions; provided, that no such persons shall represent by title or description of services that they are marriage and family therapists.".

(d) A new section 217 is added to read as follows:

"Sec. 217. Board of Marriage and Family Therapy.

"(a) There is established a Board of Marriage and Family Therapy, which shall consist of 5 members appointed by the Mayor with the advice and consent of the Council.

"(b) The Board shall regulate the practice of marriage and family therapy.

"(c) Of the members of the Board, 4 shall be marriage and family therapists licensed in the District and one shall be a consumer member with no direct affiliation with the practice of marriage and family therapy of another mental health profession. The professional members shall have:

"(1) For at least 3 years preceding the appointment, been actively engaged in rendering professional services in marriage and family therapy as marriage and family therapists, the education and training of master's, doctoral, or post-doctoral students of marriage and family therapy, or marriage and family therapy research; and

"(2) For the 2 years preceding the appointment, spent the majority of their time

devoted to one of the activities described in paragraph (1) of this subsection.

"(d) The Mayor shall designate one Board member to serve as chairperson during the term of his or her appointment to the Board. No person may serve as chairperson for more than 4 years.

"(e) Except as provided is subsection (f) of this section, members of the Board shall be appointed for terms of 3 years.

"(f) Of the members initially appointed under this section, 3 shall be appointed for a term of 3 years, and 2, including the chairperson, shall be appointed for a term of 4 years.".

Amend § 3-1203.02

(e) Section 302(12) (D.C. Official Code § 3-1203.02(12)) is amended by striking the phrase "social work" and inserting the phrase "social work and marriage and family therapy" in its place.

Amend § 3-1204.01

(f) Section 401(b)(2) (D.C. Official Code § 3-1204.01(b)(2)) is amended by inserting the phrase "marriage and family therapist members initially appointed to the Board of Marriage and Family Therapy," after the phrase "Board of Professional Counseling,".

Amend § 3-1205.01

(g) Section 501 (D.C. Official Code § 3-1205.01) is amended by adding the phrase "marriage and family therapy," after the phrase "dietetics,".

Amend § 3-1205.03

(h) Section 503 (D.C. Official Code § 3-1205.03) is amended as follows:

(1) Subsection (a)(3) is amended by striking the phrase "and VIII" and inserting the phrase "VIII and VIII-A" in its place.

(2) Subsection (d) is amended by striking the phrase "and VIII" and inserting the phrase "VIII and VIII-A" in its place.

New Subchapter VII-A

(i) A new title VIII-A is added to read as follows:

"TITLE VIII-A

"QUALIFICATIONS FOR LICENSURE TO PRACTICE MARRIAGE AND FAMILY THERAPY; TRANSITION OF LICENSED MARRIAGE AND FAMILY THERAPISTS.

"Sec. 831. Qualifications for licensure.

"(a) The Board of Marriage and Family Therapy shall license as a marriage and family therapist a person who, in addition to meeting the requirements of Title V of this act and any requirements the Mayor may establish by rule, has:

"(1) Satisfactorily completed the examination process;

"(2) A Master's degree or a Doctoral degree in marriage and family therapy from a recognized educational institution, or a graduate degree in an allied field from a recognized educational institution and has successfully completed graduate level course work which is equivalent to a Masters' degree in marriage and family therapy, as determined by the Board; and

"(3) Successfully completed 2 calendar years of work experience in marriage and family therapy under qualified supervision following receipt of a qualifying degree.

"(b) For the purposes of subsection (a) of this section, qualifying degrees shall meet the following requirements:

"(1) A graduate degree which consists of at least 60 semester hours or 90 quarter credits in marriage and family therapy from a program accredited by the Commission on Accreditation for Marriage and Family Therapy Education, or a graduate degree from a regionally accredited educational institution and an equivalent course of study as approved by the Board; and

"(2) The course of study for any graduate degree shall include a minimum of 39 semester credits in the following areas:

"(A) Marriage and family studies -- 9 semester credit minimum. Studies in this area shall include:

"(i) Theoretical foundations, history, philosophy, etiology and contemporary conceptual directions of marriage and family therapy or marriage and family counseling;

"(ii) Family systems theories and other relevant theories and their application in working with a wide variety of family structures, including families in transition, nontraditional families and blended families, and a diverse range of presenting issues; and

"(iii) Preventative approaches, including premarital counseling, parent skill training and relationship enhancement, for working with couples, families, individuals, subsystems and other systems;

"(B) Marriage and family therapy -- 9 semester credit minimum. Studies in this area shall include:

"(i) The practice of marriage and family therapy related to theory, and a comprehensive survey and substantive understanding of the major models of marriage and family therapy or marriage and family counseling; and

"(ii) Interviewing and assessment skills for working with couples, families, individuals, subsystems and other systems, and skills in the appropriate implementation of systematic interventions across a variety of presenting clinical issues, including socioeconomic disadvantage, abuse, and addiction;

"(C) Human development -- 9 semester credit minimum. Studies in this area shall include:

"(i) Individual development and transitions across the life span;

"(ii) Family, marital and couple life cycle development and family relationships, family of origin and intergenerational influences, cultural influences, ethnicity, race, socioeconomic status, religious beliefs, gender, sexual orientation, social and equity issues, and disability;

"(iii) Human sexual development, function and dysfunction, impacts on individuals, couples, and families, and strategies for intervention and resolution; and

"(iv) Issues of violence, abuse, and substance use in a relational context, and strategies for intervention and resolution;

"(D) Psychological and mental health competency -- 6 semester credit

minimum. Studies in this area shall include:

"(i) Psychopathology, including etiology, assessment, evaluation, and treatment of mental disorders, use of the current diagnostic and statistical manual of mental disorders, differential diagnosis, and multiaxial diagnosis;

"(ii) Standard mental health diagnostic assessment methods and instruments, including standardized tests; and

"(iii) Psychotropic medications and the role of referral to and cooperation with other mental health practitioners in treatment planning, and case management skills for working with individuals, couples, and families;

"(E) Professional ethics and identity -- 3 semester credit minimum. Studies in this area shall include:

"(i) Professional identity, including professional socialization, professional organizations, training standards, credentialing bodies, licensure, certification, practice settings, and collaboration with other disciplines;

"(ii) Ethical and legal issues related to the practice of marriage and family therapy, legal responsibilities of marriage and family therapy and marriage and family counseling practice and research, business aspects, reimbursement, record keeping, family law, confidentiality issues, and the relevant codes of ethics, including the code of ethics specified by the Board; and

"(iii) The interface between therapist responsibility and the professional, social, and political context of treatment; and

"(F) Research – 3 semester credit minimum. Studies in this area shall include:

"(i) Research in marriage and family therapy or marriage and family counseling and its application to working with couples and families; and

"(ii) Research methodology, quantitative and qualitative methods, statistics, data analysis, ethics, and legal considerations of conducting research, and evaluation of research.

"(c) To be eligible for licensure as a marriage and family therapist, a person must complete 2 years of post-graduate, clinical work experience in marriage and family therapy and supervision in accordance with the following established membership standards:

"(1) Supervised clinical experience must follow receipt of the first qualifying graduate degree and the practicum required as part of the course of study;

"(2) Supervision must be provided by supervisors approved by the American Association for Marriage and Family Therapy or supervisors of acceptance to the Board; and

"(3) Successful completion of at least 1000 hours of face-to-face contact with couples and families for the purpose of assessment and intervention, and 200 hours of supervision of marriage and family therapy, at least 100 of which are individual supervision.

"Sec. 831.02. Transition of licensed marriage and family therapists.

"For a period of 2 years following the effective date of the Marriage and Family Therapy Amendment Act of 2003, passed on 2nd reading on November 4, 2003 (Enrolled version of Bill 15-179), all reference to a licensed marriage and family therapist shall be deemed to refer to a person meeting the requirements for licensure in the District, regardless of whether that person is licensed.".

(j) Section 1003 (D.C. Official Code § 3-1210.03) is amended by adding a new subsection (w) to read as follows: **Amend § 3-1210.03**

"(w) Unless authorized to practice marriage and family therapy under this act, a person shall not use or imply the use of the words or terms "marriage and family therapist" or "MFT," or any similar title or description of services, with the intent to represent that the person practices marriage and family therapy.".

(k) Section 1301 (D.C. Official Code § 3-1213.01) is amended as follows: **Amend § 3-1213.01**

(1) Designate the existing language as subsection (a).

(2) A new subsection (b) is added to read as follows:

"(b) All provisions pertaining to marriage and family therapy added by the Marriage and Family Therapy Amendment Act of 2003, passed on 2nd reading on November 4, 2003 (Enrolled version of Bill 15-179), shall be subject to the availability of appropriations.".

Sec. 3. Conforming amendments.

Section 2(f) of the Confirmation Act of 1978, effective March 3, 1979 (D.C. Law 2-142; D.C. Official Code § 1-523.01(f)), is amended as follows: **Amend § 1-523.01**

(1) Paragraph (41) is amended by striking the word "and" at the end.

(2) Paragraph (42) is amended by striking the period at the end and inserting the phrase "; and" in its place.

(3) A new paragraph (43) is added to read as follows:

"(43) The Board of Marriage and Family Therapy, established by section 217 of the District of Columbia Health Occupations Revision Act of 1985, passed on 2nd reading on November 4, 2003 (Enrolled version of Bill 15-179).".

Sec. 4. Fiscal impact statement.

The Council adopts the September 16, 2003 fiscal impact statement of the Council Budget Director as the fiscal impact statement required by section 602(c))(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), a 30-day period of Congressional review as provided in section 602(c))(1) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(1)), and publication in the District of Columbia Register.

Linda W. Cropp

Chairman
Council of the District of Columbia

Anthony A. Williams

Mayor
District of Columbia
APPROVED
November 25, 2003

ENROLLED ORIGINAL

AN ACT

D.C. ACT 15-257

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

NOVEMBER 25, 2003

Codification District of Columbia Official Code

2001 Edition

2004 Winter Supp.

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To amend, on an emergency basis, due to Congressional review, the Holding Company System Act of 1993 to change the burden of proof for an acquiring company's proposition to acquire a nonprofit domestic insurer, to extend the length of the review period of the Mayor for certain insurance mergers, and to clarify who may participate in the public hearing; to amend the Hospital and Medical Services Corporation Regulatory Act of 1996 to change the burden of proof for an acquiring company's proposition to acquire a nonprofit domestic insurer.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Department of Insurance and Securities Regulation Merger Review Second Congressional Review Emergency Amendment Act of 2003".

Sec. 2. The Holding Company System Act of 1993, effective October 21, 1993 (D.C. Law 10-44; D.C. Official Code § 31-701 *et seq.*), is amended as follows:

(a) Section 2 is amended by adding new paragraphs (3A), (4A), and (5A) to read as follows: **Note, § 31-701**

"(3A) "Hospital service plan" means a plan for providing hospital and related services by hospitals and others which entitles a subscriber to certain hospital and related services, or to benefits and indemnification for such services.

"(4A) "Medical service plan" means a plan for providing medical services and related services by physicians and others which entitles a subscriber to certain medical and related services, or to benefits and indemnification for such services.

"(5A) "Party" means the Mayor and any person or District government agency named or admitted as a party, or properly seeking and entitled as of right to be admitted as a party, in any proceeding before the Mayor or an agency, but nothing herein shall be construed to prevent the Mayor or an agency from admitting the Mayor or any person or agency as a party for limited purposes.".

(b) Section 4(g) is amended as follows: **Note, § 31-703**

(1) Paragraph (1) is amended to read as follows:

"(1)(A) If the acquiring company proposes to acquire a domestic insurer which is not a nonprofit hospital service plan or medical service plan, the Mayor shall approve any merger or other acquisition of control referred to in subsections (a) and (b) of this section unless, after a public hearing, the Mayor finds that:

"(i) After the change of control, the domestic insurer referred to in subsections (a) and (b) of this section would not be able to satisfy the requirements for the issuance of a license to write the line or lines of insurance for which it is presently licensed;

"(ii) The effect of the merger or other acquisition of control would be substantially to lessen competition in insurance in the District or tend to create a monopoly. In applying the competitive standard in this subparagraph:

"(I) The informational requirements of section 5(c)(1) and the standards of section 5(d)(2) shall apply;

"(II) The merger or other acquisition shall not be disapproved if the Mayor finds that any of the situations meeting the criteria provided by section 5(d)(3) exist; and

"(III) The Mayor may condition the approval of the merger or other acquisition on the removal of the basis of disapproval within a specified period of time;

"(iii) The financial condition of any acquiring company is such as might jeopardize the financial stability of the insurer, or prejudice the interest of its policyholders;

"(iv) The plans or proposals which the acquiring company has to liquidate the insurer, sell its assets, or consolidate or merge it with any person, or to make any other material change in its business or corporate structure or management are unfair and unreasonable to policyholders of the insurer or are not in the public interest;

"(v) The competence, experience, and integrity of those persons who would control the operation of the insurer are such that it would not be in the interest of policyholders of the insurer and of the public to permit the merger or other acquisition of control; or

"(vi) The acquisition is likely to be hazardous or prejudicial to the insurance buying public.

"(B)(i) If an acquiring company proposes to acquire a domestic insurer which is a nonprofit hospital plan or medical service plan, the same procedure shall apply as provided in subparagraph (A) of this paragraph; provided, that the acquiring company shall have the burden of establishing that the proposed merger or acquisition of control does not result in the existence of any of the conditions set forth in sub-subparagraphs (i) through (vi) of subparagraph (A).

"(ii) The determination made by the Mayor as provided in subparagraph (A) of this paragraph shall not become effective until 90 days after the Mayor

makes the determination.".

(2) Paragraph (2) is amended as follows:

(A) Strike the sentence "The public hearing referred to in paragraph (1) of this subsection shall be held within 30 days after the statement required by subsections (a) and (b) of this section is filed, and at least 20-days notice shall be given by the Mayor to the person filing the statement." and insert the sentence "The public hearing referred to in paragraph (1) of this subsection shall be held within 120 days after the statement required by subsections (a) and (b) of this section is filed, and at least 20-days notice shall be given by the Mayor to the person filing the statement; provided, that the Mayor may extend the 120-day period if all parties consent to the extension." in its place.

(B) Strike the sentence "The Mayor shall make a determination within 30 days after the conclusion of the hearing." and insert the sentence "The Mayor shall make a determination within 120 days after the conclusion of the hearing; provided, that the Mayor may extend this period if all parties consent to the extension." in its place.

(C) Strike the phrase "any person to whom notice of hearing was sent, and any other person whose interest may be affected" and insert the phrase "and any party" in its place.

Sec. 3. The Hospital and Medical Services Corporation Regulatory Act of 1996, effective April 9, 1997 (D.C. Law 11-245; D.C. Official Code § 31-3501 *et seq.*), is amended as follows:

(a) Section 16(b) is amended as follows: Note, § 31-3515

(1) Strike the phrase "company unless" and insert the phrase "company not involving a nonprofit hospital service plan or medical service plan unless" in its place.

(2) Add a new subsection (b-1) to read as follows:

"(b-1) In a conversion of a nonprofit hospital service plan or medical service plan to a for-profit insurance company under this section, the acquiring company shall have the burden of establishing that the proposed conversion does not result in the existence of any of the conditions set forth in section (b)(1) through (4) of this subsection.".

(b) Section 17(b) is amended as follows: Note, § 31-3516

(1) Strike the phrase "company unless" and insert the phrase "company not involving a nonprofit hospital service plan or medical service plan unless" in its place.

(2) Add a new subsection (b-1) to read as follows:

"(b-1) In a conversion of a nonprofit hospital service plan or medical service plan to a mutual insurance company under this section, the acquiring company shall have the burden of establishing that the proposed conversion does not result in the existence of any of the conditions set forth in section (b)(1) through (4) of this subsection.".

Sec. 4. Fiscal impact statement.

The Council adopts the attached fiscal impact statement as the fiscal impact statement

required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D.C. Official Code § 1-206.02(c)(3)).

Sec. 5. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, beginning on November 5, 2003, as provided for emergency acts of the Council of the District of Columbia in section 412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

Chairman
Council of the District of Columbia

Mayor
District of Columbia
APPROVED
November 25, 2003

COUNCIL OF THE DISTRICT OF COLUMBIA

OFFICE OF THE BUDGET DIRECTOR — FISCAL IMPACT STATEMENT

Bill Number:	Type: Emergency (x) Temporary ( ) Permanent ( )	Date Reported: November 4, 2003

Subject/Short Title: "Department of Insurance and Securities Regulation Merger Review Second Congressional Review Emergency Amendment Act of 2003"

Part I. Summary of the Fiscal Estimates of the Bill

	YES	NO
1. It will impact spending. (If "Yes," complete Section 1 in the Fiscal Estimate Worksheet).	( )	(x)
a) It will affect local expenditures.	( )	(x)
b) It will affect federal expenditures.	( )	(x)
c) It will affect private/other expenditures.	( )	(x)
d) It will affect intra-District expenditures.	( )	(x)
2. It will impact revenue. (If "Yes," complete Section 2 in the Fiscal Estimate Worksheet).	( )	(x)
a) It will impact local revenue.	( )	(x)
b) It will impact federal revenue.	( )	(x)
c) It will impact private/other revenue. See below	(x)	( )
d) It will impact intra-District revenue.		

3. The bill will have NO or minimal fiscal impact. (If "Yes," explain below).

Explanation:

This emergency legislation is necessary to close the Congressional legislative gap between when the temporary expires and the permanent becomes effective to ensure that the Department of Insurance and Securities Regulation has the proper statutory mandates to ensure that the review of for-profit insurance company acquisitions of nonprofit insurance companies take place in a manner consistent with District procedures and standards.

The proposed legislation does not have any fiscal impact on the District's General Fund. The proposed legislation will not require additional staff or resources.

Part II. Other Impact of the Bill

If you check "Yes" for each question, please explain on separate sheet, if necessary.

	YES	NO
1. It will affect an agency and/or agencies in the District. Department of Insurance and Securities Regulation.	(x)	( )
2. Are there performance measures/output for this bill?	( )	(x)
3. Will it have results/outcome, i.e., what would happen if this bill is not enacted?	( )	(x)
4. Are funds appropriated for this bill in the Budget and Financial Plan for the current year?	( )	(x)

Sources of information:	Councilmember: Sharon Ambrose, Chair, Committee on Consumer and Regulatory Affairs
Council staff	Staff Person & Tel: David Grosso – 724-8072
	Council Budget Director's Signature:

ENROLLED ORIGINAL

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AN ACT

D.C. ACT 15-258

IN THE COUNCIL OF THE DISTRICT OF COLUMBIA

DECEMBER 5, 2003

To amend, on an emergency basis, the District of Columbia Election Code of 1955 to change the primary date for national committeemen and national committee women, their alternates, and officials of local committees of political parties.

BE IT ENACTED BY THE COUNCIL OF THE DISTRICT OF COLUMBIA, That this act may be cited as the "Presidential Primary State Committee Elections Emergency Amendment Act of 2003".

Sec. 2. Section 10(a)(1) of the District of Columbia Election Code of 1955, approved August 12, 1955 (69 Stat. 699; D.C. Official Code §1-1001.10(a)(1)), is amended to read as follows:

Note, § 1-1001.10

"(1) The election of the national committeemen and national committee women, and the alternates to these officials, referred to in section 1(1) and (3), and the members and officials of local committees of political parties referred to in section 1(4), shall be held on the 1st Tuesday after the 2nd Monday in September of each presidential election year.".

Sec. 3. Fiscal impact statement.

The Council adopts the attached fiscal impact statement as the fiscal impact statement required by section 602(c)(3) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 813; D. C. Official Code § 1-206.02(c)(3)).

Sec. 4. Effective date.

This act shall take effect following approval by the Mayor (or in the event of veto by the Mayor, action by the Council to override the veto), and shall remain in effect for no longer than 90 days, as provided for emergency acts of the Council of the District of Columbia in section

ENROLLED ORIGINAL

412(a) of the District of Columbia Home Rule Act, approved December 24, 1973 (87 Stat. 788; D.C. Official Code § 1-204.12(a)).

Linda W. Cropp

Chairman
Council of the District of Columbia

Anthony A. Williams

Mayor
District of Columbia
APPROVED
December 5, 2003